GENTAŞ DEKORATİF YÜZEYLER A.Ş.
AND ITS' SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2020
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

(Convenience Translation into English from the report originally issued Turkish)

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ve Danışmanlık Anonim Şirketi
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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of
Gentaş Dekoratif Yüzeyler Sanayi ve Ticaret Anonim Şirketi

A. Audit of Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Gentaş Dekoratif Yüzeyler Sanayi ve Ticaret Anonim Şirketi ("Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for Opinion

Our audit was conducted in accordance with the standards on auditing issued by the Capital Markets Board of Turkey and Independent Standards on Auditing (the "ISA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independent Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Emphasis of Matter

Without qualifying our opinion, we would like to draw attention to the following issues;

As of 31 December 2020, The Group has accounted for provision of trade receivables from 4K Grup Yapı ve Orman Ürünleri İnş. San. ve Tic. A.Ş. (related party), which has uncollectable amounting TL 4.261.923 (31 December 2019 TL 6.014.836).

Çelik Uluslararası Nakliyat ve Turizm A.Ş. which has the 44.97% of shares of GBS Gentaş Bolu Lamine Fiber Levha Entegre Ağaç Sanayi ve Ticaret A.Ş., one of the subsidiaries of the Group, filed a lawsuit on 8 June 2020 to cancel the general assembly of GBS Gentaş Bolu Lamine Fiber Levha Entegre Ağaç Sanayi ve Ticaret A.Ş held dated 28 May 2020 to Bolu 2nd Civil Court of First Instance. According to the interim decision of the court dated 20 January 2021 all the decisions taken on the General Assembly meeting was preliminary injucted.

We draw attention to the disclosures in Note 5 regarding the land that the Parent Company sold to its equity investment named Gentaş Kimya A.Ş..

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matters</th><th>How the matter was addressed in the audit</th></tr>
<tr><td colspan="2">Revenue Recognition</td></tr>
<tr><td>The Group’s revenue consist of the sales of Werzalit and Laminate products.

Revenue is recognized as a result of the realization of the Group's performance obligations and accordingly the transfer of control over products and services to the buyer.

As revenue has been determined as the key audit matter due to the importance of the revenue in the financial statements and is the most important performance indicator criteria the recognition of revenue is considered as a key audit matter.

Accounting policies and significant accounting assessments, estimates, assumptions and amounts used regarding the recognition of the Group's revenue are disclosed in note 2.11 and note 25.</td><td>During our audit, the following audit procedures were applied regarding revenue recognition:

– By understanding the revenue process of the group; The design and implementation efficiency of the controls in the revenue process has been tested.

– Revenue tested analytically.

– It was evaluated with the detailed substantive tests to determine whether the control of the invoiced products were transferred to the customer with sampling basis.

– Existence and accuracy of trade receivables balances have been tested with confirmation letters provided directly from customers with sampling basis.

– In addition, the adequacy of disclosures regarding the revenue recognition in the notes to the financial statements is evaluated by us in the scope of TFRS 15.

As a result of these audit test on revenue recognition, we did not have any significant findings.</td></tr>
</table>

5. Other Matters

The Group’s consolidated financial statements for the year ended 31 December 2019 were audited by another independent auditor who expressed an unqualified opinion dated 6 March 2020.

The Group's un-audited condensed consolidated profit or loss and other comprehensive income statement and related notes for the interim nine-month period ended 30 September 2020 have been revised by the Group and disclosed in Note 36.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with independent standards on auditing issued by Capital Markets Board and ISA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with independent auditing standards issued by Capital Markets Board and ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be declared in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2020 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.

2) In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

3) In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 10 March 2021.

The name of the engagement partner who supervised and concluded this audit is Taceddin Yazar.

İstanbul,
10 March 2021

BDO Denet Bağımsız Denetim
ve Danışmanlık A.Ş.
Member, BDO International Network

Taceddin Yazar, CPA
Partner in Charge

GENTAŞ DEKORATİF YÜZEYLER SANAYİ VE TİCARET A.Ş. AND ITS' SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2020
(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

ASSETS	Notes	*Audited* 31 December 2020	*Audited* 31 December 2019
Current Assets		**356.477.758**	**259.239.827**
Cash and Cash Equivalents	6	49.770.310	44.946.566
Financial Investments	7	3.210	830
Trade Receivables		105.387.701	59.069.819
- Trade Receivables from Related Parties	*5-9*	*4.417.624*	*3.486.589*
- Trade Receivables from Third Parties	*9*	*100.970.077*	*55.583.230*
Other Receivables		20.096.571	9.375.078
- Other Receivables from Related Parties	*5-10*	*11.861.008*	-
- Other Receivables from Third Parties	*10*	*8.235.563*	*9.375.078*
Inventories	11	167.968.219	128.097.688
Prepaid Expenses	12	7.196.650	6.238.577
Assets Related Current Period Tax	31	5.671	150.036
Other Current Assets	23	6.049.426	7.375.975
Sub Total		**356.477.758**	**255.254.569**
Assets Held For Sale	3	-	3.985.258
Non-Current Assests		**149.436.379**	**127.080.298**
Other Receivables	10	79.576	41.813
Financial Investments	7	21.895	71.895
Investments Valued by Equity Method	13	37.255.727	32.872.761
Investment Properties	15	17.487.460	14.180.252
Tangible Assets	16	84.551.099	74.759.819
Right of Use Assets	14	4.242.510	485.890
Intangible Assets		1.933.213	1.902.032
- Goodwill	*18*	*942.792*	*942.792*
- Other Intangible Assets	*17*	*990.421*	*959.240*
Deferred Tax Assets	31	3.864.899	2.765.836
TOTAL ASSETS		**505.914.137**	**386.320.125**

The accompanying notes form an integral part of these consolidated financial statements.

GENTAŞ DEKORATİF YÜZEYLER SANAYİ VE TİCARET A.Ş. AND ITS' SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2020
(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

LIABILITIES	Notes	*Audited* 31 December 2020	*Audited* 31 December 2019
Short-Term Liabilities		**112.544.632**	**85.367.917**
Short Term Borrowings	8	1.787.429	8.271.918
Current installments of Long Term Borrowings	8	7.499.869	7.950.972
Trade Payables		57.346.569	46.484.988
- Trade Payables To Related Parties	*5-9*	*6.162.503*	*8.032.049*
- Trade Payables To Third Parties	*9*	*51.184.066*	*38.452.939*
Payables Within the Scope of Employee Benefits	19	10.248.411	5.149.909
Other Payables		2.816.625	1.445.538
- Other Payables to Related Parties	*5*	*374.015*	*374.015*
- Other Payables to Third Parties	*10*	*2.442.610*	*1.071.523*
Deferred Revenue	12	16.761.283	9.353.960
Corporation Tax Payables	31	8.870.963	1.100.735
Short Term Provisions		3.488.166	2.943.516
- Provisions for Employee Benefits	*20*	*3.488.166*	*2.943.516*
Other Short Term Provisions	23	3.725.317	2.666.381
Long-Term Liabilities		**28.209.895**	**19.384.327**
Long Term Borrowings	8	20.639.744	13.991.180
Other Payables	10	107	107
Long-Term Provisions for Employee Benefits	22	7.570.044	5.393.040
EQUITY		**365.159.610**	**281.567.881**
Parent Shareholders' Equity		**299.008.685**	**231.490.069**
Paid in Capital	24	154.000.000	145.000.000
Capital Adjustments Due to Cross-Ownership	24	(10.238.623)	(9.216.334)
Accumulated Other Comprehensive Income or Expenses Not to be Reclassified to Profit or Loss			
- Re-Measurements Gains/Losses on Defined Benefit Plans	24	(1.357.334)	(1.336.699)
- Translation Differences	24	6.967.791	3.049.663
Effect of Business Combinations Under Common Control	24	4.544.333	4.544.333
Reserves on Retained Earnings	24	23.328.033	21.025.360
Accumulated Profit	24	57.073.411	57.552.538
Profit / (Loss) For The Period	24	64.691.074	10.871.208
Non-Controlling Interests		**66.150.925**	**50.077.812**
TOTAL LIABILITIES AND EQUITY		**505.914.137**	**386.320.125**

The accompanying notes form an integral part of these consolidated financial statements

GENTAŞ DEKORATİF YÜZEYLER SANAYİ VE TİCARET A.Ş. ITS' SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020
(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	***Audited*** **1 January- 31 December 2020**	***Audited*** **1 January- 31 December 2019**
Revenues,net	25	481.570.942	395.668.950
Cost of Sales (-)	25	(334.720.826)	(322.015.208)
GROSS PROFIT		**146.850.116**	**73.653.742**
Marketing, Sales and Distribution Expenses (-)	26	(27.119.320)	(27.597.672)
General Administrative Expenses (-)	26	(27.905.269)	(23.986.004)
Research and Development Expenses (-)	26	(2.105.716)	(1.519.764)
Other Operating Income	28	36.015.632	17.721.268
Other Operating Expenses (-)	28	(35.248.257)	(17.367.745)
OPERATING PROFIT		**90.487.186**	**20.903.825**
Income From Investments Valued by Equity Method	13	7.610.959	1.851.973
Income From Investment Activities	29	15.727.389	2.729.288
Expenses From Investment Activities (-)	29	(729.245)	(1.760.380)
OPERATING PROFIT BEFORE FINANCING EXPENSE		**113.096.289**	**23.724.706**
Financial Expenses (-)	30	(15.523.904)	(9.661.587)
PROFIT/(LOSS) BEFORE TAX		**97.572.385**	**14.063.119**
Tax Income / (Expense)		**(16.266.964)**	**(2.640.112)**
- Current Tax Income / (Expense)	31	(17.343.703)	(3.481.607)
- Deferred Tax Income / (Expense)	31	1.076.739	841.495
PROFIT / (LOSS) FOR THE PERIOD		**81.305.421**	**11.423.007**
Other Comprehensive Income / Expense			
- Defined Benefit Plans Remeasurement Earnings/ (Losses)		(111.620)	(593.039)
- Defined Benefit Plans Remeasurement Earnings/ (Losses), Tax Effect		22.324	118.608
- Other comprehensive income from investments valued by equity method		(9.073)	(42.063)
- Translation differences		3.918.128	303.312
Other Comprehensive Income / (Expense) (After Tax)		**3.819.759**	**(213.182)**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)		**85.125.180**	**11.209.825**
Distribution of Profit/Loss			
Non-Controlling Interests		16.614.347	551.799
Parent Company Shares		64.691.074	10.871.208
Earnings Per 100 Shares	21	0,420	0,075
Distribution of Comprehensive Income			
Non-Controlling Interests		16.536.613	768.934
Parent Company Shares		68.588.567	10.440.891
Earnings Per 100 Shares		0,445	0,072

The accompanying notes form an integral part of these consolidated financial statements.

GENTAŞ DEKORATİF YÜZEYLER SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS' SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

			Accumulated Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss				Accumulated Profit / Loss				
	Equity	**Capital Adjustments Due to Cross-Ownership**	**Defined Benefit Plans Remeasurement Earnings / (Losses)**	**Translation Differences**	**Business Combination Under Common Control**	**Reserves**	**Accumulated Profit/Loss**	**Net Profit/Loss**	**Total Equity**	**Non-Controlling Interests**	**Total Equity**
Balance as of 1 Jauary 2020	**145.000.000**	**(9.216.334)**	**(1.336.699)**	**3.049.663**	**4.544.333**	**21.025.360**	**57.552.538**	**10.871.208**	**231.490.069**	**50.077.812**	**281.567.881**
											-
Transfers	-	-	-	-	-	2.302.673	8.568.535	(10.871.208)	-	-	-
Dividend Payment	-	-	-	-	-	-	-	-	-	(463.500)	**(463.500)**
Capital Adjustments Due to Cross-Ownership	-	(1.022.289)	-	-	-	-	(47.662)	-	**(1.069.951)**	-	**(1.069.951)**
Capital Increases	9.000.000	-	-	-	-	-	(9.000.000)	-	-	-	-
Total Comprehensive Income	**-**	**-**	**(20.635)**	**3.918.128**	**-**	**-**	**-**	**64.691.074**	**68.588.567**	**16.536.613**	**85.125.180**
Period Income/Loss	-	-	-	-	-	-	-	64.691.074	64.691.074	16.614.347	**81.305.421**
Other Comprehensive Income	-	-	(20.635)	3.918.128	-	-	-	-	3.897.493	(77.734)	**3.819.759**
Balance as of 31 December 2020	**154.000.000**	**(10.238.623)**	**(1.357.334)**	**6.967.791**	**4.544.333**	**23.328.033**	**57.073.411**	**64.691.074**	**299.008.685**	**66.150.925**	**365.159.610**
Balance as of 1 January 2019	**118.800.000**	**(3.490.546)**	**(603.070)**	**2.746.351**	**2.357.438**	**15.601.070**	**58.839.188**	**41.454.448**	**235.704.879**	**35.602.693**	**271.307.572**
Transfers	-	-	-	-	-	5.512.665	(109.774)	(5.402.891)	-	-	-
Dividend Payment	-	-	-	-	-	-	-	(9.851.557)	**(9.851.557)**	(695.250)	**(10.546.807)**
Capital Adjustments Due to Cross-Ownership	-	(348.000)	-	-	-	-	(215.163)	-	**(563.163)**	-	**(563.163)**
Capital Increases	26.200.000	(769.801)	-	-	-	-	-	(26.200.000)	**(769.801)**	-	**(769.801)**
Business Combinations Under Common Control	--	(4.607.987)	-	-	2.186.895	(88.375)	(961.713)	-	**(3.471.180)**	14.401.435	**10.930.255**
Total Comprehensive Income	**-**	**-**	**(733.629)**	**303.312**	**-**	**-**	**-**	**10.871.208**	**10.440.891**	**768.934**	**11.209.825**
Period Income/Loss	-	-	-	-	-	-	-	10.871.208	10.871.208	551.799	11.423.007
Other Comprehensive Income	-	-	(733.629)	303.312	-	-	-	-	(430.317)	217.135	(213.182)
Balance of 31st December 2019	**145.000.000**	**(9.216.334)**	**(1.336.699)**	**3.049.663**	**4.544.333**	**21.025.360**	**57.552.538**	**10.871.208**	**231.490.069**	**50.077.812**	**281.567.881**

The accompanying notes form an integral part of these consolidated financial statements.

GENTAŞ DEKORATİF YÜZEYLER SANAYİ VE TİCARET A.Ş. AND ITS' SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020
(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	*Audited* 1 January- 31 December 2020	*Audited* 1 January- 31 December 2019
CASH FLOW PROVIDED by OPERATIONS		**22.273.658**	**44.879.428**
Period Income/Loss		**81.305.421**	**11.423.007**
Profit / (Loss) from Continuing Operations		81.305.421	11.423.007
Adjustments Regarding Net Profit Reconciliation For The Period		**30.632.861**	**25.681.962**
Adjustments Regarding Depreciation and Amortization Expenses	14-15-16-17-27	13.478.559	10.045.741
Adjustments Related to impairment		8.115.724	4.614.697
Adjustments for Impairment(Reversal) of Receivables	*9*	*1.599.462*	*4.320.540*
Adjustments for Impairment (Reversal) of Other Financial Assets or Investments	*7*	*200.000*	-
Adjustments for Impairment (Reversal) of Inventory	*11*	*6.316.262*	*294.157*
Adjustments for Provisions		3.188.083	3.408.003
Adjustments for Provisions (Cancellation) for Employee Benefits	*20-22*	*3.188.083*	*3.408.003*
Adjustments for Interest (Income) and Expenses		6.579.761	5.317.745
Adjustments for Interest Income	*29*	*(887.508)*	*(518.277)*
Adjustments for Interest Expenses	*30*	*6.507.292*	*5.256.101*
Deferred Financing Expenses	*5-9*	*(936.887)*	*(326.021)*
Deferred Financing Income	*5-9*	*1.896.864*	*905.942*
Adjustments for Retained Earnings of Affiliates		(5.694.490)	(1.851.973)
Adjustments for Tax (Income) Expense	31	16.266.964	2.640.112
Adjustments for Losses (Earnings) Arising from the Disposal of Fixed Assets		(11.301.740)	1.507.637
Adjustments for Losses (Earnings) Arising from the Disposal of Tangible Fixed Assets	*16-29*	*(11.301.740)*	*1.507.637*
Changes in Working Capital		**(79.513.100)**	**13.468.833**
Adjustments for Decrease (Increase) in Trade Receivables	5-9	(49.814.208)	12.153.944
Adjustments for Decrease (Increase) in Other Receivables	5-10	(10.759.256)	(4.325.368)
Adjustments for Decrease (Increase) in Inventories	11	(46.186.793)	(12.047.762)
Decrease (Increase) in Prepaid Expenses	12	(958.073)	(2.955.718)
Adjustments for Increase (Decrease) in Accounts Payable	5-9	11.798.468	17.195.872
Adjustments for Increase (Decrease) in Other Payables	5-10	1.371.087	899.290
Increase (Decrease) in Deferred Income	12	7.407.323	2.298.646
Adjustments for Other Increase (Decrease) in Working Capital		7.628.352	249.929
Decrease (Increase) in Other Assets	*23*	*1.470.914*	*(2.074.915)*
Increase (Decrease) in Other Liabilities	*23*	*6.157.438*	*2.324.844*
Cash Flow Provided by Operations		**32.425.182**	**50.573.802**
Payments Within the Scope of Provisions for Employee Benefits	22	(578.049)	(3.228.209)
Tax Returns (Payments)	31	(9.573.475)	(2.466.165)
CASH FLOWS FROM INVESTING ACTIVITIES		**(9.586.279)**	**(5.416.886)**
Cash Outflow Due to Share Purchase or Capital Increase in Affiliates		232.500	(1.985.000)
Cash inflows / (Outflows) from Sales of Shares or Debt Instruments of Other Businesses or Funds		(152.380)	(64.399)
Cash Inflows from Sale of Tangible and Intangible Assets		11.931.072	10.277.114
Cash Inflows from the Sale of Tangible Assets	*16*	*11.931.072*	*10.277.114*
Cash Outflows from Purchase of Tangible and Intangible Assets		(22.805.895)	(15.616.317)
Cash Outflows from Purchase of Tangible Assets	*16*	*(17.655.531)*	*(15.187.989)*
Cash Outflows from Purchase of Intangible Assets	*17*	*(5.150.364)*	*(428.328)*
Cash Inflows from the Sale of Investment Property	15	320.916	-
Dividends Received		-	1.453.439
Interest Received	29	887.508	518.277
CASH FLOWS FROM FINANCING ACTIVITIES		**(7.257.820)**	**(24.210.842)**
Cash Inflows From Borrowing	8	5.569.182	41.398.893
Cash From Loans		*5.569.182*	*41.398.893*
Cash Outflows Related to Debt Payments	8	(10.110.448)	(53.815.457)
Cash Outflows Related to Loan Repayments		*(10.110.448)*	*(53.815.457)*
Cash Outflows Related to Debt Payments from Lease Contract		(2.253.054)	(1.247.471)
Dividends Paid		(463.500)	(10.546.807)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF FOREIGN CURRENCY CONVERSION ADJUSTMENTS		**5.429.559**	**15.251.700**
The Effect of Foreign Currency Conversion Adjustments on Cash and Cash Equivalents		(605.815)	303.312
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**4.823.744**	**15.555.012**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6	**44.946.566**	**29.391.554**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6**	**49.770.310**	**44.946.566**

The accompanying notes form an integral part of these consolidated financial statements.

NOTE 1 - ORGANIZATION AND PRINCIPAL ACTIVITIES OF THE GROUP

Gentaş Dekoratif Yüzeyler San. ve Tic. A.Ş. ("Parent Company") (formerly Gentaş Genel Metal San. Ve Tic. A.Ş.) was established in 1972 and its is the production and sale, using the license of WERZALIT Company from Germany, of table sheets, school desks, chair seats and back pieces, structural sections, impregnated board and laminate. The company is registered in Mengen- Bolu, and its head office is located at the address Dolantı Sokak No: 21 Siteler / Ankara.

The Company is registered with the Capital Markets Board (CMB) and its shares have been quoted on the Istanbul Stock Exchange (ISE) since 1990 and 52,61 of the shares are open to stock exchange.

The ultimate parent and controlling party of the Company is the members of Kahraman Family.

The areas of activity of the investment in equities and subsidiaries of the Company (altogether shall be referred to as the "Group") are specified as follows:

Subsidiaries;
GBS Gentaş Bolu Lam.Lif Levha Entegre Ağaç.San.A.Ş. ("GBS Gentaş"): In consequence of privatization, the company has merged into Group on the date of 9 August 2000. The registered head office address of the Company is at Mudurnu way 5. Km. Doğancı Köyü Bolu Turkey. The Company's main area of activity is the production of HPL plate, laminate and impregnated paper.

Genmar Yapı Ürünleri Dağıtım Pazarlama Sanayi ve Ticaret A.Ş. ("Genmar Yapı"): The main activity of the company is the production and sales of educational equipment and hotel and restaurant furniture. The company merged with Genmar Orman on December 17, 2019. With the General Assembly held on 24 December 2019, Genart Mobilya Tasarım San. Ve Tic. Inc. ("Genart"), the title of Genmar Yapı Ürünleri Dağıtım Pazarlama Sanayi ve Ticaret A.Ş. and increased its capital to TL 38.460.000 with the decision to increase capital without bonus.

Gentas Italy SRL ("Gentas Italy"): was established in Italy in May 2014 with a capital of 10,000 Euros to support the Company's growth in the European market. Following the establishment of Gentas Italy, Liri Industriale S.P.A., one of the first laminate producers in Italy, acquired its assets (production facility, stock, brand) in 2015 for 3.100.000 Euro.

The area of activities of the Group's investments are as follows.

Investment in Equities;
Gentaş Kimya A.Ş ("Gentaş Kimya"): The main area of activity of the Company is the production and sale of chemical substances.

5K Yüzey Teknolojileri Orman Ürünleri Mobilya Sanayi ve Ticarert A.Ş. ("5K"): The main activity of the company is the production of melamine coated panels, digital printing and the production of lacquered decorative panels with UV technology.

Gendepo Mobilya Tasarım Ürünleri Sanayi ve Ticaret A.Ş. ("Gendepo"): The main activity of the company is the purchase and sale of all kinds of furnitures and accessories, tables, chairs, wardrobes, sofas, bedrooms, teen rooms, armchair and sofa sets.

As of 31 December 2020, the average number of personnel employed within the Group is 768 (31 December 2019: 713).

NOTE 1 – ORGANIZATION AND AREA OF ACTIVITY OF THE GROUP (Cont.)

Approval of Financial Statements

Consolidated financial statements were approved by the board of directors on March 10, 2021. The General Assembly and certain regulatory authorities have the authority to make changes after the legal financial statements are published.

Effect of the COVID-19 Pandemic on Group Activities

COVID-19 Pandemic The New Type of Coronavirus (COVID-19) epidemic, which emerged in Wuhan, People's Republic of China, in December 2019 spread all over the world and was declared as a Pandemic by the World Health Organization on March 11, 2020. This situation adversely affects the social life and economic activities in the geography where the Group operates.

The Group management closely monitors all developments and takes the necessary measures in order to reduce the negative effects of the COVID-19 epidemic on the consolidated financial statements, consolidated financial performance and consolidated cash flows of the Group to an acceptable level.

The management of the group reviews the evaluations regarding the continuity of the business. The Group management believes that the Group can successfully manage its commercial risks despite the current uncertain economic outlook. On the other hand, the management has a reasonable expectation that the Group has the resources to provide sufficient liquidity reserves in a twelve-month period to maintain its operational existence. By reducing the effectiveness of the epidemic in 2021, it is predicted that life will gradually and in a controlled manner normalize and, especially as of the second half of 2021, as a result of the budgets made for the remaining months of the year, profit will be made as in the previous periods and sufficient cash flow is expected to sustain the working capital required for the continuity of the business.

The Group management has reviewed the loan principal and interest payments to the banks and assesses that there will be no liquidity problems if the short and long-term loan principal installment and interest payments recorded in the statement of financial position as of December 31, 2020, if the current conditions continue or continue to increase towards positive.

The Group analyzes the socio-economic effects of the global recession and this recession with the Board of Directors and professional managers who have experienced crisis management due to the fragility of the sector, and shares the decisions to be taken regarding the continuity of the company with all its stakeholders and carries out the process in a clear and transparent manner. In this context, the Parent Company obtained the "TSE COVID-19 safe production certificate" from the Turkish Standards Institute in 2020 by meeting the requirements of the required hygiene, infection prevention and control certification program.

The Group Management plans to provide fast and effective reactions to unusual and unexpected situation and aims to pass the process with the least loss on behalf of the Group and its stakeholders with all the actions taken and plans to ensure its continuity.

In addition, the estimates and assumptions used for the expected credit losses of the Group, the impairment assumptions for the assets within the Group and the performance obligations within the scope of the recognition of the revenue were re-evaluated and the consolidated financial statements prepared on the basis of the going concern of the business were prepared based on these evaluations.

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Main Principles Regarding Presentation

The accompanying consolidated financial statements are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets" (The "Communiqué"), which were published in the Official Gazette No. 28676 dated 13 June 2013.

The Group implements the Turkish Accounting Standards / Turkish Financial Reporting Standards and the annexes and interpretations thereof ("TAS / TFRS") that have been put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA") under Article 5 of the Communiqué.

The Company (and its Subsidiaries) maintain their books of accounts and prepare their statutory financial statements on the basis of Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of the Republic of Turkey. These consolidated financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Accounting Standards issued by POA.

2.2 Correction of Financial Statements in High Inflation Periods

CMB, with its resolution dated 17 March 2005, announced that all publicly traded entities operating in Turkey was not obliged to apply inflationary accounting effective from 1 January 2005. In accordance with this resolution, TAS 29 "Financial Reporting in Hyperinflationary Economies" is not applied to the consolidated financial statements since 1 January 2005.

2.3 Functional Currency and Financial Statement Presentation Currency

Financial statements of companies whose functional currency is not TL have been prepared according to their own valid currencies, and these financial statements have been converted to TL for consolidation purposes in accordance with TAS 21 (Effects of Changes in Foreign Exchange Rates). The Group has determined TL as the reporting unit for the presentation of consolidated financial statements and notes. All currencies except the currency selected for the measurement of the items in the consolidated financial statements are treated as foreign currencies. The functional currency of the Group is TL, and the accompanying consolidated financial statements and notes are presented in TL.

2.4 Financial Statements of Subsidiaries Operating in Foreign Countries

Gentas Italy operates and locate in Italy. Gentas Italy's financial statements are modified with certain out- of-book adjustments and reclassifications to comply with Group's accounting policies. The assets and liabilities of the Group's foreign operations are expressed in TL using exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and recognized in the Group's foreign currency translation reserve.

2.5 Basis of Consolidation

The accompanying financial statements include the accounts of the parent company and its subsidiaries and investments in equity. The basis of consolidated financial statement preparation is as follows;

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 2 - PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.5 Basis of Consolidation (Cont.)

- The Subsidiary is the Company in which the Company has the power to control the financial and operating policies for the benefit of the Company either through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of shares owned directly and indirectly by itself; or although not having the power to exercise more than 50% of the voting rights, through the exercise of an actual dominant influence over the financial and operating policies. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

- The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition of control or up to the effective date of disposal, as appropriate. Where necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

- The financial statements of subsidiaries are consolidated using the full consolidation method. In this context, subsidiaries' shareholders equity and their book value are offsetting. The book value of the Company's shares and dividends that arise from these shares are offsetting from related shareholders and income statement accounts.

- The receivables and liabilities of subsidiaries included in consolidation with each other, they are made to each other sales of goods and services, income and expense items with each other is formed due to the transactions are eliminated as a mutual.

- Consolidation of subsidiaries under the equity share capital account, including all items of the group, the parent company and subsidiaries to minority interests deducted from the amounts accrued and it is indicated under the name of "Non-Controlling Interest" in the consolidated financial position statement equity group.

- Investments in equity accounted through the equity method are expressed initially at their historical values. After the date of purchase, the amount carried forward is increased or decreased from the profits or losses of the partnership according to the share ratio of the affiliating company. The distribution of profits from partnership decreases the value of the partnership. In the event that the change in the equity capital result from the equity items outside of profit or loss, relevant changes in relation to these items are made in the equity capital of the Company. In the event that the decrease in the value of net assets of the partnership is not temporary, the value of partnership is shown with the decreased value in the financial statements. In the event that the value of the net assets turns to negative, the relevant amount is not classified as asset or liability and displayed as zero in the financial statements.

The subsidiaries included in consolidation and the shareholding percentage is set out below:

Title	**Effective Share (%)**	
	31 December 2020	**31 December 2019**
GBS Gentaş (*)	53,65	53,65
Gentas Italy (*)	100,00	100,00
Genmar Yapı (*)	62,70	62,70
Gentaş Kimya (**)	14,50	14,50
5K (**)	30,00	30,00
Gendepo (**)	46,50	-

(*) Subsidiaries
(**) Affiliates

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.6 New and Revised Financial Reporting Standards

The Group has applied the new and revised TAS / TFRSs, which are valid as of January 1, 2020, related to their field of activity. The details of the standards, changes, improvements and interpretations that have not yet come into force and have not been adopted early by the Group are given below.

(i) New standards and changes affecting financial statements, reported amounts and notes prevalent after January 1, 2020

None.

(ii) New standards prevalent after 1 January 2020 and changes and interpretations to existing previous standards

The changes that come into force for the accounting periods starting on January 1, 2020 and after are as follows:

Revised Conceptual Framework (2018 version)

TFRS 3 Changes in Business Combinations - Business Definition
The application of the amendment in TFRS 3 has no significant effect on the consolidated financial statements of the Group.

Amendments in TAS 1 and TAS 8- Definition of Material
The application of the amendment in TAS 1 and TAS 8 have no significant effect on the consolidated financial statements of the Group.

Benchmark Interest Rate Reform (Amendments in TFRS 9, TMS 39 and TFRS 7)
The application of the amendment has no significant impact on the Group's consolidated financial statements.

Amendments to TFRS 4: Applying TFRS 9 Financial Instruments with TFRS 4 Insurance Contracts

TFRS 4 has been amended by POA, to reduce the impact of the differing effective dates of the new insurance contracts standard and TFRS 9. These amendments to TFRS 4 provide two optional solutions for insurers to reduce concerns about implementations: i) when applying TFRS 9 by insurers to its financial assets, an insurer will be permitted to reclassify the difference between profit or loss and other comprehensive income and the amounts recognised in profit or loss under TFRS 9 and those that would have been reported under TAS 39; or ii) an optional temporary exemption from applying TFRS 9 for companies whose activities are predominantly connected with insurance before January 1, 2021. These companies will be permitted to continue to apply existing requirements for financial instruments in TAS 39. These companies will be permitted to continue to apply existing requirements for financial instruments in TAS 39. The amendment is not expected to have a significant impact on the Group's consolidated financial statements.

Amendment regarding the References to the Conceptual Framework in TFRS 3
The amendment regarding the references made to the Conceptual Framework in TFRS 3 has been published. With the amendment, in TFRS 3, references to an old version of the Conceptual Framework for Financial Reporting have been replaced with references to the latest version published in March 2018. Although the Group is required to apply these changes from the reporting periods that start on or after January 1, 2022, early application is permitted. The amendment is not expected to have a significant effect on the Group's consolidated financial statements. Although required, early application is allowed. The amendment is not expected to have a significant impact on the Group's consolidated financial statements.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.6 New and Revised Financial Reporting Standards (Cont.)

(ii) New standards prevalent after 1 January 2020 and changes and interpretations to existing previous standards (Cont.)

Classification of Liabilities as Current or Non-current (Amendments to TAS 1)
On 23 January 2020, IASB issued "Classification of Liabilities as Current or Non-Current" which amends IAS 1 Presentation of Financial Statements to clarify its requirements for the presentation of liabilities in the statement of financial position which are issued by POA on 12 March 2020 as amendments to TAS 1.

The amendments clarify one of the criteria in TAS 1 for classifying a liability as non-current—that is, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

The amendments include:

(a) Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
(b) Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
(c) Clarifying how lending conditions affect classification; and
(d) Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Group shall apply retrospectively these amendments for annual periods beginning on or after 1 January 2022 with earlier application permitted. However, the amendment published on 15 July 2020, IASB decided to defer the effective date of IAS 1 until 1 January 2023.

The group evaluates the possible effect of the application of TAS 1 amendment on its consolidated financial statements.

Tangible Fixed Assets - Making it Suitable For the Purpose of Use (Amendment to TAS 16)

TAS 16 has published an amendment "Tangible Fixed Assets - Making it Suitable for the Purpose of Use" amending the Standard of Tangible Fixed Assets. With the amendment, it is no longer allowed to deduct the revenues from the sale of products from the cost of the tangible fixed asset item in the process of making an asset suitable for its intended use. Instead, the company will recognize such sales revenues and sales costs of the products sold together with profit or loss.

This amendment clarifies the accounting provisions in this regard, increasing transparency and consistency. Especially with the amendment made, while making the asset suitable for its intended use, it does not allow the deduction of the revenues from the sales of the manufactured products from the cost of the tangible fixed asset item. Instead, the company will now reflect such sales revenue and related costs in profit or loss.

Although the Group is required to implement these changes from the reporting periods that start on or after January 1, 2022, early implementation is permitted. The Group evaluates the possible effects of the application of the amendment on its consolidated financial statements.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.6 New and Revised Financial Reporting Standards (Cont.)

(ii) New standards prevalent after 1 January 2020 and changes and interpretations to existing previous standards (Cont.)

Privileges Granted in Lease Payments Regarding COVID 19-Changes Regarding TFRS 16 Leases

Amendments to "Concessions Recognized in Lease Payments Concerning COVID 19 - IFRS 16 Leases" were published by the IASB as Amendments to TFRS 16 on June 5, 2020.

With this change, an exemption on COVID 19 has been added to TFRS 16 for the tenants that the lease concessions arising from COVID 19 are not considered as a change in leasing. The prescribed facilitating exemption will only be applicable for lease payments concessions granted due to the COVID 19 outbreak and only if all of the following conditions are met:

a) The change in the lease payments causes the rental price to be revised and the revised price is substantially the same or lower than the rental price just before the change,
b) Any reduction in lease payments only affects payments that normally expire on or before 30 June 2021.
c) There is no significant change in the other terms and conditions of the lease.

There is no facilitating provision for lessors. Lessors should continue to assess whether their lease concessions are a change to the lease and account for it accordingly.

Privileges Granted in Lease Payments Regarding COVID 19 for Tenants - The effective date of the Amendments to TFRS 16 is the reporting periods starting on or after June 1, 2020, but early implementation is allowed. There is no effect on Group's consolidated financial statements.

Economically disadvantaged contracts-Contract fulfillment costs (Amendment to TAS 37)

TAS 37 has published an amendment "Economically disadvantaged contracts - Contract fulfillment costs" amending the Provisions, Contingent Liabilities and Contingent Assets.

In order to assess whether a contract is economically disadvantaged, it has published this amendment to TAS 37 to clarify that the cost of fulfilling the contract includes both the required additional costs to be incurred and the costs associated with the allocation of other direct costs.

The changes set out what costs an entity can include in determining the cost of fulfilling a contract in order to assess whether a contract has been fulfilled.

Although the Group is required to implement these changes from the reporting periods that start on or after January 1, 2022, early implementation is permitted.

The Group evaluates the possible effects of the application of the amendment on its consolidated financial statements.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.6 New and Revised Financial Reporting Standards (Cont.)

(ii) New standards prevalent after 1 January 2020 and changes and interpretations to existing previous standards (Cont.)

Benchmark Interest Rate Reform - 2nd Stage (Amendments in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16)
Changes by the IASB in August 2020, complementing those published in 2019 and focusing on the effects of the benchmark interest rate reform on the financial statements of businesses, for example, an interest rate measure used to calculate interest on a financial asset: replacing it with an alternative benchmark rate, Published on December 18, 2020;

Phase 2 changes, Benchmark Interest Rate Reform - Phase 2 addresses issues that could affect financial reporting during an interest rate comparison reform, including the effects of changes in contractual cash flows or hedging relationships resulting from changing an interest rate metric.

The purpose of the Phase 2 changes is to assist companies in:

- Application of TFRS Standards when changes are made in contractual cash flows or hedging relationships due to the Benchmark Interest Rate Reform
- Provide useful informations to users of financial statements.
- In the second phase of the project, the provisions in TFRS 9 Financial Instruments, TAS 39 Financial Instruments: Recognition and Measurement, TFRS 7 Financial Instruments: Disclosures, TFRS 4 Insurance Contracts and TFRS 16 Leases have changed regarding the following:
- Changes in the basis of determining the contractual cash flows of financial assets, financial liabilities and lease liabilities;
- Hedge accounting; and
- Disclosures

Phase 2 changes apply only to changes required by the benchmark rate reform in financial instruments and hedging relationships.

Although these changes will be applied as of the reporting periods that start on or after January 1, 2021, early implementation is also permitted.

Annual Improvements / 2018-2020 Period
Improvements in TFRS
The "Annual Improvements in TFRS / 2018-2020 Period" published for the applicable standards is presented below. These changes are effective as of January 1, 2022, and early application is permitted. The application of these changes in TFRS is not expected to have a significant impact on the consolidated financial statements of the Group.

TFRS 1- First Implementation of International Financial Reporting Standards
This amendment facilitates the application of TFRS 1 in case a subsidiary starts to apply TFRSs after the parent company; for example; In case a subsidiary starts to apply TFRSs later than the parent company, by benefiting from the exemption in paragraph 1.D16 (a) of TFRS, the accumulated foreign currency translation differences for all foreign currency transactions, the amounts included in the consolidated financial statements of the parent company according to the transition date to TFRS Standards. Can choose to measure through. With this amendment, by applying this optional exemption for subsidiaries, i) reduce unnecessary costs; and ii) facilitate the transition to TFRS Standards by eliminating the need to keep similar simultaneous accounting records.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.6 New and Revised Financial Reporting Standards (Cont.)

Annual Improvements / 2018-2020 Period (Cont.)
Improvements in TFRS (Cont.)

TFRS 9 Financial Instruments
This amendment - for the purpose of performing the '10% test' for derecognition of financial liabilities - in determining the fees received on the net amount by deducting the fees paid for these transactions, the fees to be taken into account are only the ones that will be considered as the debtor and the lender and they are or the fees charged.

TFRS 16 Leases, Illustrative Example 13
With this amendment, the part of Explanatory Example 13 regarding the lessor's payment to the lessee for special costs is removed. As currently published, this example is unclear why such payments are not a rental incentive. Thus, it will help eliminate the possibility of confusion in determining the lease incentives in real estate leasing transactions, which are common in general.

2.7 Changes and Errors in Accounting Policies and Estimates

Accounting policy changes resulting from the first application of a new standard are applied retrospectively or prospectively in accordance with the transition provisions, if any. Changes without any transition requirement, optional significant changes in accounting policies or identified accounting errors are applied retrospectively and the financial statements of the previous period are rearranged. Changes in accounting estimates are applied in the current period if the change is related to only one period, and for future periods, they are applied both in the period of change and prospectively.

2.8 Offsetting

Financial assets and liabilities are offset and the net amount reported in the financial position statement when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.9 Comparative Information and Correction of Prior Period Financial Statements

The consolidated financial statements of the Group are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassified when necessary and significant differences are disclosed. The Group prepared its statement of financial position as of 31 December 2020 in comparison with the statement of financial position dated 31 December 2019. The profit or loss and other comprehensive income statement, the cash flow statement and the statement of changes in equity were compared with the period of 1 January - 31 December 2019.

The reclassifications made in order to comply with the presentation of the current period consolidated financial statements in the consolidated statement of financial position as of December 31, 2019 are as follows;

Lease liabilities amounting to TL 519.542 which was recognized under other short-term liabilities were reclassified to short-term portions of long-term borrowings, while leasing liabilities amounting to TL 298.251, which were recognized under other long-term liabilities were reclassified under long-term borrowings.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.10 Going Concern

The consolidated financial statements have been prepared assuming that the Group will continue as a going concern on the basis that the entities will be able to realize its assets and discharge its liabilities in the normal course of business.

2.11 Summary of Significant Accounting Policies

The significant accounting policies implemented during the preparation of the accompanying consolidated financial statements are as follows:

Cash and Cash Equivalents
Cash and cash equivalents comprise cash at banks and on hand and cash in transit. Cash and cash equivalents consist of short-term highly liquid investments including time deposits generally having original maturities of three months or less. Foreign currency bank deposits valued at the end of period rate. Recorded value is estimated market value of other cash and bank deposits on the balance.

Trade Receivables
Trade receivables originating from the Group, which arise directly from the supply of goods or services to a debtor, are valued at discounted cost (reduced cost) using the effective interest method. Short-term trade receivables without a specified interest rate are evaluated from the invoice amount if the effect of accrual of interest is insignificant.

In the event of a situation indicating that the Group will not be able to collect the amounts due, a receivable risk provision is created for trade receivables. The amount of this provision is the difference between the registered value of the receivable and the possible amount of the receivable. The collectible amount is the value of all cash flows, including the amounts that can be collected from guarantees and assurances, discounted on the basis of the effective interest rate. If the amount of impairment decreases due to a situation that will occur after the loss is written off, the respective amount is reflected in the profit and loss statement in the current period.

The Group uses the simplified approach in TFRS 9 to calculate the expected credit losses of these financial assets. In cases where trade receivables are not impaired for certain reasons, the Group measures the expected credit loss allowance at an amount equal to lifetime expected credit losses. In the calculation of expected credit losses, past credit loss experiences and the Group's future forecasts are also taken into account.

Trade Payables
Trade payables are carried at amortized values which reflect the fair value of goods and services purchased.

Related Parties

Related parties are the person or businesses associated with the business that prepared its financial statements (reporting entity).

(a) A person or a member of that person's immediate family is deemed to be associated with the reporting entity in the following cases:

i. in the event of control or joint control over the reporting entity,
ii. in the event of a significant influence on the reporting entity.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 Summary of Significant Accounting Policies

Related Parties (Cont.)

iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is deemed to be related to the reporting entity if any of the following conditions exist:

i. If the entity and the reporting entity are members of the same group (each parent company, subsidiary and other subsidiary is associated with the others).
ii. In the event that the business is the affiliate or business partnership of the other business (or a member of a group to which the other business is a member).
iii. In the event of both businesses are joint ventures of the same third party.
iv. In the event of one of the entities is a joint venture of a third enterprise and the other entity is an affiliate of that third entity.
v. In the event of the company has post-employment benefit plans for the employees of the reporting enterprise or an enterprise associated with the reporting enterprise. In the event of the reporting enterprise itself has such a plan, the sponsoring employers are also associated with the reporting enterprise.
vi. In the event of the business is controlled or jointly controlled by a person identified in (a).
vii. In the event of a person defined in subparagraph (i) of article (a) has a significant influence on the entity or is a member of the key management personnel of that entity (or the parent company of this enterprise).

Transaction with a related party is the transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Financial Instruments
Classification and Measurement

Group classifies its financial assets in three categories of “financial assets measured at amortized cost”, “financial assets measured at fair value through other comprehensive income” and “financial assets measured at fair value through profit of loss”. The classification of financial assets is determined considering the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial instruments measured at amortized cost”, are non-derivative assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group's financial assets measured at amortized cost include “cash and cash equivalents” and “trade receivables.” Certain financial assets, including cash and cash equivalents, are carried at their cost values and their carrying values are approximately it is assumed that the values of trade receivables discounted and provision for doubtful receivables are equal to the fair value of the assets within the scope of TFRS 9. Measured at amortized cost. Earnings and losses resulting from the valuation of most and non-derivative financial assets are recognized in the income statement.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 Summary of Significant Accounting Policies (Cont.)

Financial Instruments (Cont.)
Classification and Measurement (Cont.)

Financial Liabilities
Loans are recorded with their values after the transaction costs are subtracted from the loan amount on the date they are received. If the difference between the discounted value and the first recorded value is significant, the credits are stated over the discounted cost value by using the effective interest method. The difference between the amount remaining after deducting the transaction costs and the discounted cost value is reflected in the income statement as financing cost during the loan period. Financing costs arising from loans are recorded in the income statement when they occur.

Borrowing Costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. When the Group borrows funds specifically for the purpose of the qualifying assets, the amount of borrowing costs eligible for capitalization is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. All other borrowing costs are recognized in the statement of profit or loss in the period in which they are incurred.

Inventories
Inventories are valued at the lower of cost or net realizable value. The costs of inventories are determined using the “monthly moving weighted average cost” method. Inventories include all purchasing costs, costs of conversion and other costs incurred in order for the inventories to be brought into their existing situation and position. The costs of conversion of the inventories include the costs directly related to production overhead, such as direct labor costs. These costs also include the amounts distributed systematically from the fixed and variable production overheads incurred during the conversion of the raw materials and supplies into finished goods. Net realizable value is yielded by the estimated sales price in the ordinary course of business, less the total estimated costs of the completion and sales to be undertaken.

Tangible Assets
The tangible assets are shown as cost of purchasing value less accumulated depletion and permanent depreciation. The historical cost of the tangible asset consists of the purchase price and non-refundable taxes and expenses to make the tangible asset available. The costs of tangible assets in except for land, landed property and construction in progress, are subjected to pro rata depreciation using straight-line method of depreciation based on their expected useful lives. The expected useful life, residual value and method of depreciation are reviewed each and every year for the possible effects of the changes that may occur in the estimations and accounted prospectively in case of a change in the estimations. The estimated useful lives of such assets, are stated as follows:

	Useful Life
Land and Land Improvements	3-25 year
Buildings	10-50 year
Plant, Machinery and Equipments	4-25 year
Other Tangible Assets	4-20 year
Vehicles and Equipment	4-10 year
Fixtures and Fittings	2-15 year

Profits and losses arising from the sale of tangible fixed assets are included in the operating income and expense accounts. Tangible assets purchased before 1 January 2005 are carried at cost adjusted for inflationary effects.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 Summary of Significant Accounting Policies (Cont.)

Intangible Assets
Intangible assets are assets consisting of primary rights and computer software, and they were first valued at the purchase price.Intangible assets are capitalized in order to obtain economic benefits in the future and to be able to accurately determine the cost. In the first records, there are intangible assets, accumulated amortization and cost. Intangible assets are subject to linear depreciation at estimated rates.

	Useful Life
Rights and Sofwares	3-15 year

Investment properties
Land and buildings or a part of the building or both, which are held in order to earn rentals or for capital appreciation or both (by the owner or by the lessee according to the leasing agreement), rather than for use in the production or supply of goods and services, or for administrative purposes or sale in the ordinary course of business, are classified as investment property.

An investment property is recognized as an asset in the event that there is a possibility of an inflow of future economic benefits pertaining to the property to the entity and that the cost of the investment property is reliably measurable.

The Group monitors investment property with historical cost value. Historical cost value denotes the amount of the cash or cash equivalents paid during the acquisition or construction of an asset or the fair value of other payments outside thereof or if possible to implement, the cost attributed to the relevant asset during the initial recognition.

Assets held for sale
The assets are classified as assets that are intended to be recovered as a result of the sales transaction, rather than the use of their registered values, as well as held assets. The sale is expected to occur within twelve months following the balance sheet date. The need to complete the sale of various events or transactions. Allows you to choose or continue to continue the sales plan for the sale of the related asset. The prolonged time required for the sale is the assets held for sale.

Impairment on assets
The Group assesses whether there is any indication of impairment in relation to an asset at each balance sheet date. If there is any such indication, the recoverable amount of that asset is estimated. Impairment occurs if the book value of the said asset or any cash generating unit pertaining to that asset is higher than the amount to be recovered through use or sale. The recoverable amount is found out by selecting the higher of its fair value less costs to sell and its value in use. Value in use is the estimated present value of the future cash flows expected to be derived from an asset after its continuous use and disposal at the end of its useful life. Impairment losses are recognized in the statement of income.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 Summary of Significant Accounting Policies (Cont.)

Provisions, contingent assets and liabilities
In order for any amount of provisions to be recognized in the financial statements, the Group is to have a present legal or constructive obligation as a result of past events, it should be probable that an outflow of resources with economic benefits will be required to fulfill this obligation, and a reliable estimate of the amount of the said liability can be made. If the said criteria did not occur, then the Group discloses the said matters in the relevant notes. Contingent assets are not recognized until they are realized and only disclosed in the notes.

Contingent assets are continuously assessed in order for the true representation of the related developments in the financial statements. In the event that the inflow of economic benefit into the operation is almost certain, the relevant asset and the income related thereto are reflected into the financial statements of the term that the change occurred. In the event that the inflow of economic benefit becomes probable, the operation displays the said contingent asset in the notes of the financial statement.

Business combinations and goodwill
Business combinations are considered as the merging of two separate legal entities or businesses into one reporting entity. Business combinations are accounted for using the purchase method within the scope of TFRS 3.

The acquisition cost includes the fair value of the assets given at the date of purchase, the capital instruments issued, the liabilities assumed or incurred at the date of the change, and the costs that may be associated with additional acquisition. If the business combination agreement includes provisions that stipulate that the cost can be corrected depending on future events; if this correction is probable and its value can be determined, the acquirer includes this correction at the merger date at the merger date.

The difference between the acquisition cost of an enterprise and the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired enterprise is recognized in the consolidated financial statements as goodwill.

The goodwill arising during the business combination is not depreciated, instead it is subjected to impairment tests once a year (as of 31 December) or more frequently if circumstances indicate impairment.

Impairment losses calculated over goodwill cannot be associated with the income statement, even if the impairment has disappeared in the subsequent periods. Goodwill is associated with units that generate cash during the impairment test.

In the event that the fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the merger cost, the difference is associated with the consolidated income statement.

In accounting for business combinations under common control, assets and liabilities subject to business combinations are included in the consolidated financial statements with their book values. Income statements are consolidated from the beginning of the fiscal year when the business combination occurred. The financial statements of the previous period are prepared in the same way for comparability. As a result of these transactions, no goodwill or negative goodwill is calculated. The difference that occurs as a result of netting the amount in proportion to the share of the company, of which the participant amount is purchased, is directly accounted for as “the effect of business combinations under common control” in equity. The Group's acquisition of Genmar Orman, realized on June 19, 2012, has not been applied as TFRS 3 “Business Combinations” standard, which is considered as a “business merger under common control”.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 Summary of Significant Accounting Policies (Cont.)

Foreign currency transactions
The foreign currency transactions realized within the year are converted over the foreign exchange rates valid at the dates of transactions. The monetary assets and liabilities depending on foreign exchange are converted into Turkish Lira over the exchange rates valid at the end of the period. The exchange difference arising out of the conversions of monetary assets and liabilities depending on foreign exchange are reflected into the consolidated statement of income at the period their income or losses are realized.

The exchange rates used at the end of the period are as follows:

	31 December 2020	31 December 2019
USD Dollar	7,3405	5,9402
Euro	9,0079	6,6506

Revenue
Merchandise sales:

The Group transfers the revenue to a customer and records the revenue in its consolidated financial statements as it fulfills or fulfills the performance obligation. When control of an asset is received (or passed) by the customer, the asset is transferred.

The Group records the revenue in its financial statements in line with the following basic principles;

(a) Determination of contracts with customers
(b) Determination of performance obligations in the contract
(c) Determination of the transaction price in the contract
(d) Dividing the transaction price into the contractual performance obligations.
(e) Revenue recognition when each performance obligation is met.

Revenue is collected when control of products is transferred to the customer. When the Company meets its performance obligation by transferring a product or service that is committed before, the revenue is recognized in the financial statements.

The Group calculates the financing component (in forward sales) over the period between the transfer date of the promised good to the customer at the beginning of the contract and the date the customer pays the price of this good. There are no practices such as performance premiums, incentives, etc. that will cause variability in the transaction price in the sales of goods of the Group.

Subsequent Events

Even if subsequent events occurred after any announcement regarding the profit for the period or public disclosure of other selected financial information, they include all events between the date of the financial statement and the date of authorization for the publication of the financial statement.

In case of events that require adjustment after subsequent, the group makes the necessary corrections to the consolidated financial statements.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 Summary of Significant Accounting Policies (Cont.)

Taxes calculated on the basis of the company's earnings

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Leases
The Group – as a lessee

At the begining of a contract, the Group evaluates whether the contract is a lease of whether it contains a lease. If the contract delegates the right to control the use of the asset defined for a price, for a certain period of time, this contract is a lease or includes a lease. The Group considers the following conditions when evaluating whether a contract delegates its right to control the use of a defined asset for a specified period of time:

a) the contract involved the use of an identified asset – this may be specified explicitly or implicitly.

b) the asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, the asset is not identified.

c) the Group has the right to obtain substantially all of the economic benefits from the use of an asset throughout the period of use; and
d) the Group has the right to direct use of the asset. The Group concludes to have the right of use, when it is predetermined how and for what purpose the Group will use the asset. The Group has the right to direct use of asset if either:

i. the Group has the right to operate (or to have the right to direct others to operate) the asset over its useful life and the lessor does not have the rights to change the terms to operate or;

ii. the Group designed the asset (or the specific features) in a way that predetermines how and for what purpose it is used

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 Summary of Significant Accounting Policies (Cont.)

Leases (Cont.)

Right of use asset

The right of use asset is initially recognized at cost comprising of:

a) amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the Group; and
d) Costs incurred by the Group in the restoration of the underlying asset to the extent required by the terms and conditions of the lease.

To apply a cost model, the Group measure the right-of-use asset at cost:
a) less any accumulated depreciation and any accumulated impairment losses; and
b) adjusted for any remeasurement of the lease liability

The Group applies the depreciation provisions of TAS 16, “Property, Plant and Equipment while depreciating the right of use.

The Group apply TAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Rent obligations

At the commencement date, The Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group use the lessee’s incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) fixed payments, less any lease incentives receivable;
b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, the Group measure the lease liability by:
a) increasing the carrying amount to reflect interest on the lease liability;
b) reducing the carrying amount to reflect the lease payments made; and
c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised insubstance fixed lease payments.

Extension and early termination options
The lease obligation is determined by considering the extension and early termination options in the contracts. The majority of the extension and early termination options in the contracts are options that are jointly applicable by the Group and the lessor.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.11 Summary of Significant Accounting Policies (Cont.)

Leases (Cont.)

Extension and early termination options (Cont.)

The Group determines the lease term by including the extension and early termination options at the Group's discretion under the relevant agreement and if the use of the options is reasonably certain. If there is a significant change in the circumstances, the assessment is reviewed by the Group.

Employee benefits
Defined benefit pension plan

Under Turkish Labour Law the Company is required to pay termination indemnities to each employee who completes one year of service, Group is obligated to paying the severance pay to employees who is having a reason to leave that is not include retairing, quitted from the work and because of bad behaving.

The Group calculates the provision for severance pay in the accompanying consolidated financial statements by estimating the present value of the possible future liability arising from the retirement of the employees. All actuarial gains and losses calculated are reflected in the consolidated other comprehensive income statement.

Defined contribution plan
The Company is required to pay social insurance premiums to the Social Security Institution in Turkey. As long as the company pays these premiums, it has no other obligations. These premiums are reflected in personnel expenses in the period they are accrued.

Capital and dividends
Ordinary shares are classified as capital. The dividends distributed over the ordinary shares are recorded as deduced from the accumulated profit in the declared period.

Interest Income
Interest income is accrued in the relevant period on the basis of the effective interest method, which brings the remaining principal balance and the estimated cash inflows to be obtained during the expected life of the relevant financial asset to the net book value of the said asset. Interest income and foreign exchange gains related to commercial transactions are recognized as other income from operating activities.

Earnings per share
Earnings per share are determined by dividing the net income by the weighted average number of shares that have been outstanding during the year concerned. The companies can increase their share capital by making a pro-rata distribution of their shares (“Bonus Shares”) to existing shareholders from retained earnings and allowed reserves. When calculating the earnings per share, these bonus shares are considered as issued shares. Therefore, the weighted average number of shares used in the calculation of the earnings per share is obtained by implementing retrospectively the bonus issuance of the shares.

Cash flow statement
In the statement of cash flows, cash flows in relation to the period are reported as classified on the basis of operating activities, investment activities and financing activities. The cash and cash equivalents in the statement of cash flows include the cash and bank deposits.

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.12 Summary of Significant Accounting Policies (Cont.)

The critical accounting estimates that have significant effect on the book values of the assets and liabilities are as follows:

Receivable / Payable Discount:
In the calculation of the cost amortized with the effective interest rate method of the trade receivables and payables, the due receipt and payment periods expected according to the existing data regarding the receivables and payables are taken into consideration. The amount of the financial income and expenses within the costs of purchases and revenues from sales are calculated on estimated basis according to the effective interest rate method using the turnover rates of the received trade receivables and payables at the related term period and classified into the financial income and expenses.

The amounts of unaccrued financial income and expenses contained in the costs of purchases and revenues from sales resulting from forward purchases and sales are determined approximately through the use of average turnover rates of trade receivables and payables

Useful life:
Tangible and intangible assets are subjected to amortization and depreciation throughout their estimated useful lives.

Employment termination benefits:
The provision for employment termination benefits is reduced to its value at the balance sheet date by calculating the personnel turnover rate based on the past year experiences and expectations.

Allowances for doubtful receivables:
The Group provides allowance for the overdue doubtful receivables by considering customers financial position, past experience and other factors and evaluating customers credit standing.

Deferred tax assets

Deferred tax assets are recorded when it is determined that taxable income is likely to occur in the upcoming years. In cases where taxable income is likely to occur, deferred tax asset is calculated over all kinds of temporary differences. Since the assumptions used that the company will have taxable profit in the future periods are found sufficient deferred tax asset has been recorded.

Right of Use Assets and Rental Liabilities

The Group evaluates the lease terms in the measurement of right-of-use assets and lease obligations and determines these periods based on the best estimates.

Inventory impairment

While determining the impairment of inventory, the physical and historical background of the stocks are examined, their usability is determined in line with the opinions of the technical personnel and provisions are made for items that are expected to be unusable. In the determination of the net realizable value of the stocks, the data regarding the list sales prices and the average discount rates given during the year are used and estimates are made regarding the sales expenses to be incurred.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 2 – PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (Cont.)

2.12 Summary of Significant Accounting Policies (Cont.)

Provisions for litigation

While making provisions for the lawsuits, the Group management evaluates the possibilities of losing the lawsuits and the liabilities that may arise in case of loss by taking the opinions of the Group's legal counsel and experts. The Group management determines the provisions for lawsuits based on the best estimates..

NOTE 3 – ASSETS HELD FOR SALE

	31 December 2020	31 December 2019
Taraklı Thermal facility	-	3.765.258
Flat	-	220.000
	-	**3.985.258**

125 timeshare properties acquired in return for receivables from 4K Grup Yapı and 1 flat in Didim which Genmar Yapı acquired in return for receivables, is reclassified to investment properties.

NOTE 4 – SEGMENT REPORTING

The Group management has determined the reportable parts of the Company as the companies that have entered into consolidation. Group companies operate in the same sector, but each is managed and reported separately.

Balance sheet reporting;

31 December 2020

	Domestic			Abroad		
	Gentaş	**GBS Gentaş**	**Genmar Yapı**	**Italy**	**Eliminations**	**Consolidated**
Total Assets	388.759.503	124.202.905	66.311.423	21.461.093	(94.820.787)	505.914.137
Total Liabilities	90.929.324	22.665.929	24.157.155	18.895.700	(15.893.581)	140.754.527
Net Assets	**297.830.179**	**101.536.976**	**42.154.268**	**2.565.393**	**(78.927.206)**	**365.159.610**
Amortization	5.141.677	4.122.617	3.422.871	791.394	-	13.478.559
Construction in progress	39.266	184.984	-	-	-	224.250

31 December 2019

	Domestic			Abroad		
	Gentaş	**GBS Gentaş**	**Genmar Yapı**	**Italy**	**Eliminations**	**Consolidated**
Total Assets	303.363.636	94.218.171	55.681.552	20.928.433	(87.871.667)	386.320.125
Total Liabilities	63.646.356	18.512.456	16.820.381	18.849.694	(13.076.643)	104.752.244
Net Assets	**239.717.280**	**75.705.715**	**38.861.171**	**2.078.739**	**(74.795.024)**	**281.567.881**
Amortization	5.274.981	4.084.331	931.165	729.435	(974.171)	10.045.741
Construction in progress	897.417	1.091.216	13.150	-	-	2.001.783

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 4 – SEGMENT REPORTING (Cont.)

Profit/Loss Reporting;

1 January – 31 December 2020;

	Domestic			Abroad		
	Gentaş	**GBS**	**Genmar**	**Gentas Italy**	**Eliminations**	**Consolidated**
Revenue	330.549.134	182.050.521	117.256.720	3.262.902	(151.548.335)	481.570.942
Cost of Sales (-)	(247.325.544)	(134.256.588)	(102.626.167)	(2.060.862)	151.548.335	(334.720.826)
Gross Profit	**83.223.590**	**47.793.933**	**14.630.553**	**1.202.040**	**-**	**146.850.116**
Marketing, Sales and Distribution Expenses (-)	(14.146.349)	(5.936.353)	(7.032.811)	(3.807)	-	(27.119.320)
General Administrative Expenses (-)	(16.430.773)	(4.877.970)	(5.311.820)	(1.284.706)	-	(27.905.269)
Research and Develepment Expenses (-)	(2.105.385)	-	(331)	-	-	(2.105.716)
Other Operating Income	19.683.627	10.809.112	6.713.018	-	(1.190.125)	36.015.632
Other Operating Expenses (-)	(20.917.663)	(9.599.000)	(4.179.485)	(2.099.834)	1.547.725	(35.248.257)
Operating Profit / (Loss)	**49.307.047**	**38.189.722**	**4.819.124**	**(2.186.307)**	**357.600**	**90.487.186**
Income From Investments Valued by Equity Method	10.036.780	(2.434.757)	8.936	-	-	7.610.959
Income from Investment Activities	18.487.874	78.421	1.819.286	1.880.200	(6.538.392)	15.727.389
Expenses from Investment Activities (-)	(495.962)	-	(334.011)	(65.042)	165.770	(729.245)
Profit /(Loss) Before Financing Expenses	**77.335.739**	**35.833.386**	**6.313.335**	**(371.149)**	**(6.015.022)**	**113.096.289**
Financing Expenses (-)	(12.086.832)	(1.885.758)	(1.452.853)	(98.461)	-	(15.523.904)
Profit / (Loss) from Continuing Operations Before Tax	**65.248.907**	**33.947.628**	**4.860.482**	**(469.610)**	**(6.015.022)**	**97.572.385**
Tax Income / (Expense)						
- Current Tax Income/(Expense)	(8.699.818)	(7.362.300)	(1.281.585)	-	-	(17.343.703)
- Deferred Tax Income/(Expense)	314.632	413.642	348.465	-	-	1.076.739
Period Profit/(Loss)	**56.863.721**	**26.998.970**	**3.927.362**	**(469.610)**	**(6.015.022)**	**81.305.421**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 4 – REPORTING BY DEPARTMENTS (Cont.)

Profit/Loss Reporting; (Cont.);

1 January – 31 December 2019;

	Domestic			Abroad		
	Gentaş	**GBS Gentaş**	**Genmar Yapı**	**Gentas Italy**	**Eliminations**	**Consolidated**
Revenue	260.651.642	148.181.586	65.059.499	16.708.388	(94.932.165)	395.668.950
Cost of Sales (-)	(217.675.476)	(129.323.453)	(55.012.810)	(15.909.797)	95.906.328	(322.015.208)
Gross Profit	**42.976.166**	**18.858.133**	**10.046.689**	**798.591**	**974.163**	**73.653.742**
Marketing, Sales and Distribution Expenses (-)	(14.864.696)	(6.025.827)	(7.404.537)	(1.651.622)	2.349.010	(27.597.672)
General Administration Expenses (-)	(17.516.562)	(3.696.997)	(902.913)	(1.869.532)	-	(23.986.004)
Research and Develepment Expenses (-)	(1.519.764)	-	-	-	-	(1.519.764)
Other Operating Income	14.242.977	4.340.089	1.455.282	31.930	(2.349.010)	17.721.268
Other Operating Expenses (-)	(10.489.921)	(4.857.783)	(2.018.071)	(1.970)	-	(17.367.745)
Operating Profit / (Loss)	**12.828.200**	**8.617.615**	**1.176.450**	**(2.692.603)**	**974.163**	**20.903.825**
Income From Investments Valued by Equity Method	6.219.796	(4.367.823)	-	-	-	1.851.973
Income from Investment Activities	9.513.836	150.957	271.794	-	(7.207.299)	2.729.288
Expenses from Investment Activities (-)	(2.271.207)	(249.851)	269.422	662.098	(170.842)	(1.760.380)
Profit /(Loss) Before Financing Expenses	**26.290.625**	**4.150.898**	**1.717.666**	**(2.030.505)**	**(6.403.978)**	**23.724.706**
Financing Expenses (-)	(5.899.067)	(1.874.077)	(1.739.386)	(149.057)	-	(9.661.587)
Profit/(Loss) Before Tax	**20.391.558**	**2.276.821**	**(21.720)**	**(2.179.562)**	**(6.403.978)**	**14.063.119**
Tax Income/(Expense)						
- Period Tax Income/(Expense)	(2.033.167)	(1.448.440)	-	-	-	(3.481.607)
- Deferred Tax Income/(Expense	477.731	363.764	-	-	-	841.495
Period Profit/(Loss)	**18.836.122**	**1.192.145**	**(21.720)**	**(2.179.562)**	**(6.403.978)**	**11.423.007**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 5 – RELATED PARTY DISCLOSURES

a) Purchases/Sales;

	1 January– 31 December 2020				1 January – 31 December 2019			
	Purchases		Sales		Purchases		Sales	
	Product	Services	Product	Services	Product	Services	Product	Services
Gentaş Kimya Sanayi Ticaret A.Ş.	100.751.309	231.103	2.607.197	1.349.052	90.176.056	170.321	2.303.490	600.224
2K Yapı Uygulama Tasarım Sanayi ve Tic.Ltd. Şti.	-	352	2.141.824	122.412	-	4.217	1.668.009	-
4K Grup Yapı ve Orm.Ürün.İnş.San.ve Tic.A.Ş.	-	-	378.747	-	-	-	979.550	-
Kahramanlar Ağaç Sanayi ve Tic.A.Ş.	2.614.627	739.663	13.941.929	357.382	33.106	342.256	8.474.138	6.907
5K Yüzey Teknolojileri A.Ş.	1.817.502	21.552	2.568.329	156.524	1.763.088	143.264	2.868.940	322.012
Yaşar Çelik Orman Ür. Kim.Nak. İnş. San. A.Ş.	77.803	418.645	5.630.680	38.461	32.931	320.082	5.414.183	390
Çelikor Global Lojistik A.Ş.	-	218.500	-	-	-	326.100	-	-
Total	**105.261.241**	**1.629.815**	**27.268.705**	**2.023.831**	**92.005.181**	**1.306.240**	**21.708.310**	**929.533**

Other Purchase and Sales;

1 January – 31 December 2020: In Kocaeli Province, Dilovası Distict, Demirciler Mahallesi, 144 island, 1 Parcel, 19.999 m2 land, was sold to Gentaş Kimya, its subsidiary, which was included in the consolidation by the company through the equity method, on February 9, 2018, at a value of 5.599.720 TL determined through bargain sales. As a result of the correspondence with the Capital Markets Board Auditing Department, as of December 31, 2020, Group compromise on allocating the amount of 13.500.000 TL stated in the valuation report obtained from an independent valuation firm authorized by the CMB and between the initial sale price of 5.599.720 TL for the relevant real estate with a difference of 7.900.280 TL, a total of 12.588.390 TL, including the interest amounting to 4.688.110 TL calculated from the date of the first sale to be collected from Gentaş Kimya in 2021 with a maturity of 1 year and in equal installments. This change in the fair value estimation took place in the accounting period of 1 January - 31 December 2020 and the receivables from the relevant transaction and belonging to the period 1 January - 31 December 2020, amounting to 11.507.015TL , were accounted for in other receivables.The income arising from this transaction amounting to 11.507.015 TL was recognized as 9.807.899 TL under income from investment activities in the statement of profit and loss, after the elimination of downstream transactions.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 5 – RELATED PARTY DISCLOSURES (Cont.)

Other Purchase and Sales (Cont.)

1 January– 31 December 2019:

The Group also has a factory real estate built on the same plot with the 15.020 m2 land on the 1608 island, 7 parcels of Ankara Province Akyurt district Balıkhisar-Zoning District, which is accounted for as investment property and leased to 5K. It has been sold to the individual partner with a price of 8.898.000 TL and it is located in Istanbul province, Başakşehir district, İkitelli 2 Mahallesi, İkitelli Organized Industrial Zone, Keresteciler Sitesi 690 Island 1 Parcel 25, 31, 32, 34 Bought six duplexes 35, 36, from private partners over 8.898.000 TL.

In return for its receivables from 4K, the group purchased a timeshare of 2.687.725 TL and a machine worth 254.237 TL.

The Group sold 10% of its 5K shares (Note 14) to Gentaş Kimya at a price of 1.900.000 TL.

b) Trade Payables /Receivables;

	31 December 2020		31 December 2019	
	Trade Receivables	**Trade Payables**	**Trade Receivables**	**Trade Payables**
Gentaş Kimya Sanayi Ticaret A.Ş.	-	6.353.801	-	8.112.804
Kahramanlar Ağaç Sanayi ve Tic.A.Ş.	2.126.570	-	537.609	-
2K Yapı Uygulama Tasarım Sanayi ve Tic.Ltd.Şti.	22.706	-	233.534	-
Gendepo Mobilya Tasarım Ürünleri San ve Tic.A.Ş	480.207	-	-	-
5K Yüzey Teknolojileri Orman Ür.Mob.San.AŞ	450.000	-	1.822.569	-
Yaşar Çelik Orman Ürn.Kimya Nak.İnş.San.ve Tic.A.Ş	661.436	-	980.946	-
TDL Yapı Tasarım Sanayi ve Ticaret Ltd.Şti.	815.819	-	-	-
Deferred finance income	(139.114)	(191.298)	(88.069)	(80.755)
Total	**4.417.624**	**6.162.503**	**3.486.589**	**8.032.049**

c) Other Payables /Receivables;

	31 December 2020	31 December 2019
Due to Related Parties		
Payables to Shareholders	374.015	374.015
Total	**374.015**	**374.015**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 5 – RELATED PARTY DISCLOSURES (Cont.)

	31 December 2020	31 December 2019
Other Receivables		
Gentaş Kimya Sanayi Ticaret A.Ş. (*)	11.507.015	-
Receivables From Shareholders	353.993	-
	11.861.008	**-**

(*) *1 January – 31 December 2020:* In Kocaeli Province, Dilovası Distict, Demirciler Mahallesi, 144 island, 1 Parcel, 19.999 m2 land, was sold to Gentaş Kimya, its subsidiary, which was included in the consolidation by the company through the equity method, on February 9, 2018, at a value of 5.599.720 TL determined through bargain sales. As a result of the correspondence with the Capital Markets Board Auditing Department, as of December 31, 2020, Group compromise on allocating the amount of 13.500.000 TL stated in the valuation report obtained from an independent valuation firm authorized by the CMB and between the initial sale price of 5.599.720 TL for the relevant real estate with a difference of 7.900.280 TL, a total of 12.588.390 TL, including the interest amounting to 4.688.110 TL calculated from the date of the first sale to be collected from Gentaş Kimya in 2021 with a maturity of 1 year and in equal installments. This change in the fair value estimation took place in the accounting period of 1 January - 31 December 2020 and the receivables from the relevant transaction and belonging to the period 1 January - 31 December 2020, amounting to 11.507.015TL , were accounted for in other receivables.The income arising from this transaction amounting to 11.507.015 TL was recognized as 9.807.899 TL under income from investment activities in the statement of profit and loss, after the elimination of downstream transactions.

d) *Benefits Provided to Senior Management;* The total amount of wages and similar benefits paid to senior management between January 1 - December 31, 2020 is 4.971.838 TL. The entire amount is comprised of the fee (1 January -31 December 2019: 4.155.665 TL). The Group has determined the board of directors, general manager and assistant general managers as senior management.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 6 – CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash	56.347	100.637
Banks	32.569.700	33.971.193
- Demand Deposit	*18.665.462*	*11.992.170*
- Time Deposit	*13.904.238*	*21.979.023*
Other Liquid Assets (*)	17.144.263	10.874.736
Total	**49.770.310**	**44.946.566**

(*) Consist of receivables arising from credit card sales with a maturity of less than 3 months.

The details of the Group's time deposits as of December 31, 2020 and 2019 are as follows;

	31 December 2020			31 December 2019		
Type of Currency	Interest Rate	Curreny Amount	TL Equivalent	Interest Rate	Curreny Amount	TL Equivalent
Eur	%2,00	889.848	8.015.665	%0,50	1.702.433	11.322.201
US Dollar	%2,75	800.000	5.872.400	%2	817.005	4.853.173
TL	%18,00	16.173	16.173	%19,5	5.803.649	5.803.649
Total			**13.904.238**			**21.979.023**

NOTE 7 – FINANCIAL INVESTMENTS

	31 December 2020		31 December 2019	
	Rate (%)	Amount	Rate (%)	Amount
Financial assets classified at fair value through profit or loss				
Funds		3.210		830
Short Term Financial Investments		**3.210**		**830**
Financial assets whose fair value difference is classified in other comprehensive income				
Orta Anadolu İhr.Birl.(Mosaş A.Ş.)	2	7.635	2	7.635
Ortak Satın Alma Organizasyonu	<1	14.260	<1	64.260
Long Term Financial Investments		**21.895**		**71.895**
Total		**25.105**		**72.725**

The fair value of financial investments has been accounted for at cost due to its convergence to cost value.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 8 – BORROWINGS

The detail of the borrowings of the Group as of 31 December 2020 and 201 are as follows;

	31 December 2020		31 December 2019	
	Interest Rate (%)	**Amount**	**Interest Rate (%)**	**Amount**
Short Term Borrowings				
Loans				
- TL Loans		-	%23,50	4.000.000
- Eur Loans	%0,42	1.738.525	%0,68-%0,75	4.256.384
Other	-	48.904	-	15.534
Total		**1.787.429**		**8.271.918**
Short Term Portion of Long Term Borrowings				
Loans				
- Eur Loans	%0,50	3.802.152	%0,68	7.431.430
- TL Loans	%7,50	1.967.325	-	-
Leases				
- Operational Leases	-	1.730.392	-	519.542
Total		**7.499.869**		**7.950.972**
Long Term Borrowings				
Credits				
- Eur Loans	%0,50	14.837.256	%0,68	13.692.929
- TL Loans	%7,50	3.065.005	-	-
Leases				
- Operational Leases	-	2.737.483	-	298.251
Total		**20.639.744**		**13.991.180**

The distribution of the maturity of long term loans is as follows;

		31 December 2020	**31 December 2019**
	Type of Currency(Eur)	Total TL Equivalent	Total TL Equivalent
1-2 years	903.953	6.011.833	2.793.146
2-5 years	1.787.873	11.890.428	8.215.359
Over 5 years	-	-	2.684.424
Total		**17.902.261**	**13.692.929**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 9 – TRADE RECEIVABLES AND PAYABLES

	31 December 2020	31 December 2019
Short Term Trade Receivables		
Trade Receivables	91.597.803	49.074.892
Cheques and Notes Receivables	15.686.762	10.900.869
Doubtful Trade Receivables	35.125.883	33.545.815
	142.410.448	93.521.576
Deferred Financing Expense (-)	(1.896.864)	(905.942)
Provisions for Doubtful Trade Receivables (-)	(35.125.883)	(33.545.815)
Total	**105.387.701**	**59.069.819**

As of 31 December 2020, the average collection period of receivables is 60 days (31 December 2019; 55 days).

As of the balance sheet date, there are no significant overdue receivables included in the trade receivables. Related party balances included in trade receivables are disclosed in Note 5.

The nature and amounts of the guarantees received in return for receivables are disclosed in Note 20.3. The risks and level of risks that group receivables are exposed to are disclosed in Note 33. Foreign currency balances of trade receivables are disclosed in Note 33 Currency Risk.

Movement of doubtful receivables for the years ending on 31 December 2020 and 2019 is as follows;

	1 January – 31 December 2020	1 January – 31 December 2019
Opening Balance	33.545.815	22.547.797
Provisions Canceled During the Period	(3.290.512)	(1.312.054)
Increase in Provisions During the Period	4.889.974	5.632.594
Genmar Yapı Merging Effect	-	6.667.721
Foreign Currency Conversion Adjustment	(19.394)	9.757
Closing Balance	**35.125.883**	**33.545.815**

	31 December 2020	31 December 2019
Short Term Trade Payables		
Suppliers	58.283.456	46.811.009
Deferred Financing Income (-)	(936.887)	(326.021)
Total	**57.346.569**	**46.484.988**

As of December 31, 2020, the average payment period of debts is 56 days (31 December 2019: 43 days).

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 10 – OTHER RECEIVABLES AND PAYABLES

	31 December 2020	31 December 2019
Other Short Term Receivables		
Receivables from Related Parties (Note 5)	11.861.008	-
Receivables from Tax Office	7.512.996	8.204.504
Receivables from Employees	483.467	555.315
Guarantees Given	132.067	127.742
Other Receivables	107.033	487.517
Total	**20.096.571**	**9.375.078**
Other Long Term Receivables		
Guarantees Given	79.576	41.813
Total	**79.576**	**41.813**

	31 December 2020	31 December 2019
Other Short Term Payables		
Deposits and Guarantees Received	1.023.602	1.023.602
Debts to Related Parties (Note 5)	374.015	374.015
Other Payables	1.419.008	47.921
Total	**2.816.625**	**1.445.538**

	31 December 2020	31 December 2019
Other Long Term Payables		
Deposits and Guarantees Received	107	107
Total	**107**	**107**

NOTE 11 – INVENTORIES

	31 December 2020	31 December 2019
Raw Materials	95.311.128	72.275.818
Semi-finished Goods	7.712.767	7.257.559
Finished Goods	49.557.205	36.793.619
Merchandises	10.531.599	7.842.376
Other Inventories	16.415.881	9.172.415
Provision for Inventories (-)	(11.560.361)	(5.244.099)
Total	**167.968.219**	**128.097.688**

	1 January - 31 December 2020	1 January - 31 December 2019
Opening Balance	5.244.099	4.949.942
Current Period Provisions	6.316.262	294.157
Closing Balance	**11.560.361**	**5.244.099**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 12 – PREPAID EXPENSES AND DEFERRED INCOME

	31 December 2020	31 December 2019
Short Term Prepaid Expenses		
Advance Giving for Purchases	5.251.378	4.713.259
Other Prepaid Expenses	1.768.846	1.524.906
Advances Given for Business Purposes	176.426	412
Total	**7.196.650**	**6.238.577**

	31 December 2020	31 December 2019
Short Term Deferred Income		
Advances Received	12.263.590	6.636.361
Deferred Income	4.497.693	2.717.599
Total	**16.761.283**	**9.353.960**

NOTE 13 – INVESTMENT VALUED BY EQUITY METHOD

The investments of Group valued by equity method as of 31 December 2020 and 2019 are as follows :

	31 December 2020		31 December 2019	
	Amount	Rate	Amount	Rate
Gendepo	210.773	46,50%	-	-
Gentaş Kimya	37.044.954	14,50%	30.468.667	14,50%
5K Yüzey (*)	-	30,00%	2.404.094	30,00%
Total	**37.255.727**		**32.872.761**	

(*) As a result of the net loss for the period in 5K Yapı and the net investment value in the Group converges to zero, the related amount has been shown as zero in the consolidated financial statements.

Amounts associated with profit and loss as of 31 December 2020 and 2019 are as follows;

	31 December 2020	31 December 2019
Genmar Yapı Net Profit	-	1.200.508
Shares Owned	-	48,04%
Amount Associated with Profit/Loss (Share Rate x Net Profit)	**-**	**576.724**
Gentaş Kimya Net Profit	69.219.170	38.917.731
Shares Owned	14,50%	14,50%
Amount Associated wit Profit/Loss (Share Rate x Net Profit)	**10.036.780**	**5.643.071**
5K Yüzey Net Loss	-	(14.559.409)
Shares Owned	30,00%	30,00%
Amount Associated with Profit/Loss (Share Rate x Net Profit)	**-**	**(4.367.822)**
Affiliate Impairment Provision	**(2.404.094)**	**-**
Gendepo Net Loss	(46.726)	-
Shares Owned	46,50%	-
Amount Associated wit Profit/Loss (Share Rate x Net Profit)	**(21.727)**	**-**
Total	**7.610.959**	**1.851.973**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 13 – INVESTMENT VALUED BY EQUITY METHOD (Cont.)

Financial information of affiliates as of 31 December 2020 and 2019 are as follows;

	31 December 2020		31 December 2019		
	Gendepo	**Kimya**	**Genmar yapı**	**Gentaş Kimya**	**5k**
Total Assets	912.451	437.672.377	55.681.552	322.769.933	23.135.692
Short Term Liabilities	459.177	117.905.398	15.632.971	56.800.861	30.544.372
Long Term Liabilities	-	33.924.861	1.187.410	44.577.669	5.965.093
Net Profit/Loss	(46.726)	69.219.170	1.200.508	38.917.731	(14.559.409)

Movement of the affiliates is as follows;

	31 December 2020			31 December 2019		
	Gendepo	**G. Kimya**	**5K**	**Genmar Yapı**	**G. Kimya**	**5K**
Balance of January 1	-	30.468.667	2.404.094	8.500.397	26.256.849	6.966.573
Sale of share of the Company	232.500	-	-	(769.801)	(563.163)	-
Capital Payment	-	-	-	-	-	1.985.000
Amount associated with Profit/Loss	(21.727)	10.036.780	(2.404.094)	576.725	5.643.071	(4.367.823)
Affiliate dividend payment	-	(682.353)	-	(600.499)	(852.940)	-
Share of actuarials income /loss	-	(9.073)	-	-	(15.150)	(26.913)
Group payment sale / business combinations (Note 36)	-	(1.069.951)	-	(7.706.822)		(2.152.743)
Profit/Loss Elimination	-	(1.699.116)	-	-	-	-
Closing Balance	**210.773**	**37.044.954**	**-**	**-**	**30.468.667**	**2.404.094**

NOTE 14 – RIGHT OF USE ASSETS

Changes in the Group's right of use assets and depreciation as of December 31, 2020 and 2019 are as follows;

	1 January 2019	**Additon**	**Merging Effect**	**31 December 2019**	**Addition**	**31 December 2020**
Cost						
Right of use asset	-	705.410	523.449	1.228.859	4.976.812	6.205.671
	-	**705.410**	**523.449**	**1.228.859**	**4.976.812**	**6.205.671**
Accumulated Amortisation						
Right of use asset	-	272.578	470.391	742.969	1.220.192	1.963.161
	-	**272.578**	**470.391**	**742.969**	**1.220.192**	**1.963.161**
Net Book Value	**-**			**485.890**		**4.242.510**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 15 – INVESTMENT PROPERTIES

	1 January 2020	Addition	Disposal	Transfers (*)	31 December 2020
Cost					
Buildings	16.293.228	-	(450.225)	3.985.258	19.828.261
Accumulated Depreciation	(2.112.976)	(357.134)	129.309	-	(2.340.801)
Total	**14.180.252**	**(357.134)**	**(320.916)**	**3.985.258**	**17.487.460**

(*) Real estates classified as assets held for sale as of December 31, 2019 are classified under investment properties as of December 31, 2020.

	1 January 2019	Addition	Disposal	Transfers	31 December 2019
Buildings	20.951.645	8.906.000	(13.564.417)	-	16.293.228
Accumulated Depreciation	(2.478.773)	(420.485)	786.282	-	(2.112.976)
Total	**18.472.872**	**8.485.515**	**(12.778.135)**	-	**14.180.252**

The Group had 1.137.644 TL rent income from investment properties (31 December 2019: 1.308.130 TL)

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 16 – TANGIBLE ASSETS

Movements in tangible assets and related accumulated depreciation for the years ending on December 31, 2020 and 2019 are as follows:

	1.01.2020	Additon	Disposal	Transfers	Translation Differences	31 December 2020
Cost						
Land	3.694.876	-	-	-	24.697	3.719.573
Land Improvements	4.292.908	-	-	390.482	-	4.683.390
Buildings	32.087.241	-	(42.194)	1.970.831	3.963.560	37.979.438
Machinery, Plant and Equipment	123.059.410	1.881.214	(1.059.448)	12.612.727	1.626.738	138.120.641
Vehicles	3.807.276	298.251	(244.553)	277.819	6.823	4.145.616
Furniture and Fixtures	7.484.386	600.520	(21.854)	23.690	11.059	8.097.801
Other Tangible Assets	9.272.998	2.051	-	420.645	-	9.695.694
Leasehold Improvements	7.634.484	954.833	-	-	-	8.589.317
Construction in Progress	2.001.783	13.918.662	-	(15.696.194)	-	224.251
	193.335.362	**17.655.531**	**(1.368.049)**	**-**	**5.632.877**	**215.255.721**
Accumulated Amortization						
Land Improvements	3.497.729	112.797	-	-	-	3.610.526
Buildings	7.658.697	734.818	(264)	-	363.717	8.756.968
Machinery, Plant and Equipment	85.881.609	8.445.545	(496.701)	-	736.121	94.566.574
Vehicles	3.139.898	305.607	(222.620)	-	6.483	3.229.368
Furniture and Fixtures	5.671.216	606.538	(19.132)	-	3.183	6.261.805
Other Tangible Assets	8.374.698	213.566	-	-	-	8.588.264
Leasehold Improvements	4.351.696	1.339.421	-	-	-	5.691.117
	118.575.543	**11.758.292**	**(738.717)**	**-**	**1.109.504**	**130.704.622**
Total	**74.759.819**					**84.551.099**

Current period depreciation charges, amounting to 8.848.898 TL reflected to the cost of sales (2019: 7.502.513 TL), amounting to 1.265.306 TL to marketing, sales and distribution expenses (2019: 794.964 TL), amounting to 3.359.317 TL (2019: 1.742.411). TL) in general administrative expenses and amounting to 5.038 TL (2019: 5.853 TL) in research and development expenses.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 16 – TANGIBLE ASSETS (Cont.)

	1 January 2019	Addition	Disposal	Transfers	Business Combination Effect	Translation Differences	31 December 2019
Cost							
Land	3.688.354	-	-	-		6.522	3.694.876
Land Improvements	4.149.247	136.661	-	-	7.000	-	4.292.908
Buildings	31.111.596	-	(250.000)	178.807	-	1.046.838	32.087.241
Machinery, Plant and Equipment	117.112.448	1.224.373	(1.321.987)	615.903	4.916.011	512.662	123.059.410
Vehicles	3.781.069	180.561	(487.318)	-	331.161	1.803	3.807.276
Furniture and Fixtures	6.278.593	393.792	(85.114)	-	894.194	2.921	7.484.386
Other Tangible Assets	8.705.031	7.640	-	-	560.327	-	9.272.998
Leasehold Improvements	4.063.850	239.731	(191.785)	-	3.522.688	-	7.634.484
Construction in Progress	-	2.796.493	-	(794.710)		-	2.001.783
	178.890.188	**4.979.251**	**(2.336.204)**	**-**	**10.231.381**	**1.570.746**	**193.335.362**
Accumulated Amortization							
Land Improvements	3.395.964	94.765	-	-	7.000	-	3.497.729
Buildings	6.920.067	673.285	(11.250)	-	-	76.595	7.658.697
Machinery, Plant and Equipment	76.634.310	6.811.680	(430.692)	-	2.676.980	189.331	85.881.609
Vehicles	2.910.078	428.383	(326.854)	-	126.824	1.467	3.139.898
Furniture and Fixtures	4.488.270	497.319	(44.239)	-	729.251	615	5.671.216
Other Tangible Assets	7.930.345	153.636	-	-	290.717	-	8.374.698
Leasehold Improvements	1.942.125	603.460	(113.828)	-	1.919.939	-	4.351.696
	104.221.159	**9.262.528**	**(926.863)**	**-**	**5.750.711**	**268.008**	**118.575.543**
Total	**74.669.029**						**74.759.819**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 17 – INTANGIBLE ASSETS

Movements in intangible fixed assets and related amortization for the years ending on December 31, 2020 and 2019 are as follows:

	1 January 2020	Additon	Disposal	Translation differences	31 December 2020
Cost					
Rights	267.334	9.565	-	26.718	303.617
Other	1.751.477	163.987	-	-	1.915.464
	2.018.811	**173.552**	**-**	**26.718**	**2.219.081**
Accumulated Amortisation					
Rights	194.361	20.743	-	26.148	241.252
Other	865.210	122.198	-	-	987.408
	1.059.571	**142.941**	**-**	**26.148**	**1.228.660**
Total	**959.240**				**990.421**

	1 January 2019	Additon	Disposal	Business Combination Effect	Translation differences	31 December 2019
Cost						
Rights	168.005	56.839	-	35.455	7.035	267.334
Other	1.344.644	370.948	-	35.885	-	1.751.477
	1.512.649	**427.787**	**-**	**71.340**	**7.035**	**2.018.811**
Accumulated Amortisation						
Rights	140.298	14.292	-	33.277	6.494	194.361
Other	753.467	75.858	-	35.885	-	865.210
	893.765	**90.150**	**-**	**69.162**	**6.494**	**1.059.571**
Total	**2.406.414**					**959.240**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 18 – GOODWILL

	31 December 2020	31 December 2019
Goodwill arising from the GBS Gentaş acquisition	942.792	942.792
Total	**942.792**	**942.792**

Goodwill was also reviewed as of the date of 31 December 2019, in order to test against impairment, and no impairment has been detected in the amount of goodwill (31 December 2019: None).

NOTE 19 – PAYABLES WITHIN THE SCOPE OF BENEFITS FOR EMPLOYEES

	31 December 2020	31 December 2019
Social security premiums payable	1.935.681	1.328.205
Taxes payable	4.203.569	1.755.548
Due to personnel	4.109.161	2.066.156
Total	**10.248.411**	**5.149.909**

NOTE 20 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

20.1 Short Term Provisions:

	31 December 2020	31 December 2019
Unused vacations	3.488.166	2.943.516
Total	**3.488.166**	**2.943.516**

20.2 Litigation and Disputes

a) Ongoing lawsuits filed by the Group:

As of 31 December 2020, there are a total of 36.222.567 TL claims filed by the Group (31 December 2019: 26.882.164 TL). The Group allocates provisions for its receivables at the stage of lawsuit and execution.

b) Significant law suits filed and pending against the Group:

As of 31 December 2020, there are ongoing lawsuits against the Group amounting to TL 447.350 (31 December 2019: 65.500). While allocating provisions for the lawsuits, the possibilities of losing the lawsuits and the liabilities that will arise in case of loss are evaluated by the Company Management by taking the opinions of the company's legal counsel and experts. The Company Management determines the lawsuit provisions based on the best estimates, and no provision has been made as of 31 December 2020 regarding the lawsuits filed against.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 20 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont.)

20.3 Given/Received Guarantees, Pledge and Mortgages:

a) Given GPM

	31 December 2020	31 December 2019
TRIs Given by the Group		
A- Total amount of the GPMs given in the name of its own legal entity	22.118.816	27.739.327
B- Total amount of the GPMs given on behalf of fully	-	-
consolidated companies	1.738.525	1.330.120
C- GPMs given on behalf of the other third parties debt	-	-
for the continuation of their ordinary economic activities	-	-
D- Total amount of other GPMs		
i- Total amount of GPMs given on behalf of parent company shareholder	-	-
ii- Total amount of GPMs given on behalf of other group companies which do not fall into the scope of items B and C	36.502.496	31.481.202
iii- Total amount of GPMs given on behalf of third parties which do not	-	-
Total	**60.359.837**	**60.550.649**

The details of the GPM given by the Group as of 31 December 2020 and 2019 are as follows:

Type	Given	31 December 2020	31 December 2019
Letter of guarantee	Government Agencies	1.223.667	2.305.770
Letter of guarantee	Suppliers ****	1.960.543	872.000
Letter of guarantee	Banks *	18.934.606	24.561.557
Guarantee	Gentas Italy **	1.738.525	1.330.120
Guarantee	5K ***	36.502.496	31.481.202
Total		**60.359.837**	**60.550.649**

* Equivalent to 2.102.000 Euro (2019: Equivalent to 3.693.134 Eur)
** Equivalent to 193.000 Euro (2019: Equivalent to 200.000 Eur)
*** Equivalent to 1.170.000 Euro and 25.963.253 TL (2019: Equivalent to 1.170.000 Eur and 23.700.000 TL)
**** Equivalent to 7.639 US Dollar and 1.904.473 TL

b) Received TRIs

Type	Received	31 December 2020	31 December 2019
Letter of guarantee	Customers	2.530.046	2.230.046
Mortgage	Customers	3.300.000	2.900.000
Guarantee	Genmar Yapı ve GBS*	327.130.313	249.376.075
Total		**332.960.359**	**254.506.121**

* Equivalent to 6.000.000 US Dollars, 26.875.000 Eur and 41.000.000 TL

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 21 – GOVERNMENT GRANTS AND INCENTIVES

Income from investments, whose scope is specified in the article 32 / A added to the Corporate Tax Law No.5520 with the Law No.5838 and issued by the Ministry of Economy and has been linked to an incentive certificate by the Ministry of Economy, from the fiscal period when the investment is started to operate partially or completely, reduced corporations until it reaches the investment contribution amount. Tax may be applied.

Gentaş Decorative Surfaces Industry and Trade Inc. and GBS Gentaş Bolu Lamine A.Ş. Within the scope of their investment incentive certificates, they benefit from VAT exemption, Customs exemption, Reduced Corporate Tax application (GBS 20% investment contribution rate - 55% tax deduction rate, Gentaş Decorative 35% investment contribution rate - 100% tax deduction rate), following the completion of the investment, the insurance premium employer's share support.

NOTE 22 – EMPLOYEE BENEFITS

Provision for Employee Termination Benefits

Within the framework of the existing laws in Turkey, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or completes a total of 20 years of service for women and 25 years for men or achieves the retirement age. Monthly severance pay ceiling should not be exceeded in the calculations.

The employment termination benefits to be paid as of the date of 31 December 2020 is calculated over the monthly severance pay ceiling of TL 7.639, valid starting from 1 January 2021 (31 December 2019 : TL 6.730,15). The employment termination benefits liability is not subject to any legal funding.

Benefit obligation is calculated according to the estimation of the present value of the future probable obligation of the Group arising from the retirement of the employees. In accordance with TAS 19, "Employee Benefits", it stipulates that the liabilities of the company are developed within the scope of defined benefit plans by using actuarial valuation methods. Accordingly, the actuarial assumptions used in the calculation of total liabilities are specified below:

The main assumption is that the maximum liability for each year of service will increase in parallel with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As of 31 December 2020, the provisions in the attached financial statements are calculated by estimating the present value of the possible future liability arising from the retirement of the employees. As of 31 December, the provisions were calculated with a real discount rate of 3.74% based on the assumption of an annual inflation rate of 9.50% and a discount rate of 13.60% (31 December 2019: 3.35 real discount rate). The estimated rate of severance pay amounts that will not be paid as a result of voluntary employee withdrawal and will remain in the Group is also taken into consideration..

The movement table of the provision for employee termination benefits account of the Group as of December 31, 2020 and 2019 is as follows:

	31 December 2020	**31 December 2019**
Openin Balance	**5.393.040**	**4.344.894**
Payments	(578.049)	(3.228.209)
Interest cost	749.334	166.155
Current service cost	1.894.099	2.631.983
Actuarial Profit/(Loss)	111.620	593.039
Merging Effect	-	885.178
Provision at the end of the period	**7.570.044**	**5.393.040**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 23 – OTHER ASSETS AND LIABILITIES

	31 December 2020	31 December 2019
Other current assets		
Deferred VAT	6.049.426	7.375.975
Total	**6.049.426**	**7.375.975**

	31 December 2020	31 December 2019
Other Current Liabilities		
Other VAT Payables	492.079	670.902
Accruals	3.233.238	1.995.479
Total	**3.725.317**	**2.666.381**

NOTE 24 – EQUITY

The capital of the company is 154.000.000 TL, and it is divided into 15.400.000.000 registered shares, each of 0.01 TL (December 31, 2019 145.000.000 TL). The partnership structure of the Company as of December 31, 2020 and December 31, 2019 is as follows:

	31 December 2020		31 December 2019	
	Share	Amount	Share Rate	Amount
Genmar Yapı	%6,12	9.418.782	%6,12	8.868.334
Abdurrahman KAHRAMAN (Tahsin Oğlu)	%11,69	18.008.650	%11,14	16.156.197
M. Ziya KAHRAMAN	%9,64	14.844.268	%11,02	15.979.504
Seyit Mehmet MUTLU	%6,69	10.300.844	%6,83	9.899.175
Sezai KAHRAMAN	%5,64	8.680.003	%0,00	-
Tahsin KAHRAMAN	%5,01	7.715.401	%5,00	7.250.001
Other Shareholders	%55,22	85.032.052	%59,89	86.846.789
Total	**100,00**	**154.000.000**	**100,00**	**145.000.000**

The registered capital ceiling of the company is 235.000.000 TL and according to the relevant communiqué; The capital ceiling can be exceeded for once by adding the dividend to the capital.

In 2020, the company has increased the capital amounted to 9.000.000 TL from dividends.

Reserves

	31 December 2020	31 December 2019
Legal reserves	19.130.740	16.967.576
Exemption arising from earnings from sale of affiliates	5.297	5.297
Exemption arising from earnings from sale of land and building	4.191.996	4.052.487
Total	**23.328.033**	**21.025.360**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 24 – EQUITY (Cont.)

Reserves (Cont.)

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code. The Turkish Commercial Code stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5 % per annum, until the total reserve reaches 20 % of the paid in share capital. The second legal reserves, on the other hand, is 10 % of the distributed profits exceeding 5 % of the paid in share capital. According to the Turkish Commercial Code, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

Actuarial Gain / Loss Fund for Provision for Employee Termination Benefits
With the amendment made in the TAS - 19 "Employee Benefits" the actuarial losses and earnings taken into consideration in the calculation of the provision for employee termination benefits are not allowed to be accounted for in the statement of income. The losses and earnings that occurred in consequence of the change in the actuarial assumptions are accounted for in the equity.

Retained earnings

	31 December 2020	**31 December 2019**
Extra reserve	93.547.806	62.272.928
Retained earnings	(36.474.395)	(4.720.390)
Total	**57.073.411**	**57.552.538**

Non-Controlling Interest
The amounts corresponding to the minority interests outside of the interests of the parent company and subsidiaries are deduced from the entire account group of equity capital within the scope of consolidation including paid in / issued capital and displayed in the equity capital account group of the consolidated balance sheet under the account group name of "Non-controlling interests".

Effect of Business Combination Under Common Control
The positive / negative difference occurring during the initial recognition of business combinations occurring under common control is accounted under equity. The related balance resulted from the acquisition of Genmar Orman, which the Group acquired in 2012, and the merger of Genmar Orman and Genmar Yapı (formerly Genart) in 2019.

Foreign Currency Translation
It consists of exchange rate differences arising during the conversion of Gentas Italy financial statements from Euro to TL.

Capital Adjustments Due to Cross-Ownership
It arises from the Company shares held by Genmar Yapı and Gentaş Kimya. All of the shares owned by Genmar Yapı, with a cost of 11.269.655 TL and a nominal amount of 9.418.782 TL , of Gentaş Kimya's shares with a cost of 11.262.854 TL and a nominal amount of 5.654.075 TL, are paid as capital adjustments due to cross-ownership. (31 December 2019: At the rate of 14.50% of the shares of Genmar Yapı with a nominal amount of 8.888.334 TL with a cost of 10.719.207 TL and the shares of Gentaş Kimya with a nominal amount of 2.400.000 TL with a nominal amount of 3.883.886 TL). The difference amounting to 47.662 TL between the cost value and nominal values of the relevant shares as of 31 December 2020 has been offset from the "retained earnings" account. (31 December 2019: 215.163 TL)

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 24 – EQUITIES (Cont.)

Dividend payment

According to the Series: II, No: 19.1 "Dividend Communiqué", the partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation. Dividends are distributed equally to all existing shares as of the distribution date, regardless of their issuance and acquisition dates. Unless the reserve funds required to be allocated according to the TCC and the profit share determined for the shareholders in the articles of association or profit distribution policy are not reserved; it is not possible to decide to allocate other reserves, to transfer profits for the following year and to distribute dividends to beneficiary shareholders, members of the board of directors, shareholders and non-shareholders. The dividend distribution table must be disclosed to the public at the latest when the agenda of the ordinary general assembly is announced. Losses of partnerships in previous years; In the calculation of the net distributable period profit, the portion exceeding the sum of the total legal reserves including previous years profits, premiums related to shares, and the sum of the equity items excluding capital, adjusted for inflation accounting is considered as discount item in the calculation of net distributable period profit.

In 2020, the company has increased the capital amounted to 9.000.000 TL from dividends.

As long as it can be met from the resources in the legal records of companies, it has been allowed to calculate the amount of profit they will distribute by taking into account the net period profits in the financial statements prepared within the framework of the Communiqué Serial: II No: 14.1. According to the legal records of the company, the distributable resources are as follows;

	31 December 2020	**31 December 2019**
Extraordinary reserves	51.170.385	24.650.195
Retained earnings	45.351.119	36.963.645
Total	**96.521.504**	**61.613.840**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 25 – REVENUE AND COST OF SALES

	1 January - 31 December 2020	1 January - 31 December 2019
Domestic Sales	**276.779.620**	**252.434.880**
Sales of Laminat	175.023.768	147.132.831
Sales of Werzalit	36.789.756	34.377.095
Other Sales	64.966.096	70.924.954
Export Sales	**212.335.437**	**146.503.881**
Sales of Laminat	187.301.445	139.613.455
Sales of Werzalit	12.774.614	1.689.043
Other Sales	12.259.378	5.201.383
Other Revenues	**1.946.583**	**1.681.869**
Total Sales	**491.061.640**	**400.620.630**
Sales returns (-)	(2.888.608)	(2.548.363)
Sales discounts (-)	(6.602.090)	(2.403.317)
Net Sales	**481.570.942**	**395.668.950**
Cost of products sold (-)	233.489.546	212.248.632
Cost of trade goods sold(-)	101.231.280	109.766.576
Cost of Sales	**334.720.826**	**322.015.208**
Gross Profit	**146.850.116**	**73.653.742**

NOTE 26 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

	1 January - 31 December 2020	1 January - 31 December 2019
Research and development expenses	2.105.716	1.519.764
Marketing, sales and distribution expenses	27.119.320	27.597.672
General administrative expenses	27.905.269	23.986.004
Total operating expenses	**57.130.305**	**53.103.440**

	1 January - 31 December 2020	1 January - 31 December 2019
Research and development expenses		
Material expenses	705.418	351.275
Consultancy expenses	389.775	271.046
Test expenses	449.176	303.347
Personnel expenses	274.637	309.400
Depreciation expenses	5.038	5.853
Other expenses	281.672	278.843
Total	**2.105.716**	**1.519.764**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 26 – GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES (Cont.)

General administrative expenses	1 January - 31 December 2020	1 January - 31 December 2019
Personnel expenses	15.077.675	13.560.323
Depreciation expenses	3.359.317	1.742.411
Consultancy expenses	1.480.995	1.216.849
Taxes and funds	763.144	900.176
Material expenses	840.991	772.868
Rent and insurance expenses	514.820	606.147
Bank charges	583.688	363.421
Travel expense	284.141	341.721
Communication expenses	336.690	194.179
Representation expenses	345.377	159.485
Maintenance and repair expenses	786.577	380.805
Energy expenses	476.752	200.462
Other expenses	3.055.102	3.547.157
Total	**27.905.269**	**23.986.004**

Marketing, sales and distribution expenses	1 January - 31 December 2020	1 January - 31 December 2019
Personnel expenses	6.016.297	5.739.787
Export expenses	4.170.900	2.895.361
Commission expenses	3.533.510	4.402.755
Advertising expenses	1.397.637	1.591.296
Fair expenses	2.097.951	2.272.315
Giro Premiums	1.180.919	1.902.818
Transportation expenses	1.827.001	809.443
Rent and insurance expenses	200.954	1.827.997
Material expenses	498.868	461.213
License expenses	258.060	263.796
Travel expense	219.125	724.058
Depreciation and amortization expenses	1.265.306	794.964
Other expenses	4.452.792	3.911.869
Total	**27.119.320**	**27.597.672**

NOTE 27 – NATURE OF EXPENSES

	1 January - 31 December 2020	1 January - 31 December 2019
Raw materials	124.470.369	118.619.766
Cost of merchandise	101.231.280	109.766.576
Indirect material cost	36.911.276	45.557.590
Personnel expenses	53.853.510	43.302.362
Depreciation expenses	13.478.559	10.045.741
Energy expenses	29.422.312	8.848.791
Other expenses	32.483.826	38.977.822
Total	**391.851.131**	**375.118.648**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 28 – OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

	1 January - 31 December 2020	**1 January - 31 December 2019**
Other operating income		
Financing income from sales	10.715.891	4.050.548
Foreign exchange income	20.131.269	10.057.327
Unnecessary provision	3.290.512	1.312.054
Interest income from trade activities	222.136	244.844
Other income	1.655.824	2.056.495
Total	**36.015.632**	**17.721.268**

	1 January - 31 December 2020	**1 January - 31 December 2019**
Other operating expenses		
Doubtful receivables expenses	4.889.974	5.632.594
Foreign exchange expenses	13.495.007	7.090.877
Financing expenses from purchases	11.909.622	2.000.587
Other	4.953.654	2.643.687
Total	**35.248.257**	**17.367.745**

NOTE 29 – INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	1 January - 31 December 2020	**1 January - 31 December 2019**
Income from Investment Activities		
Profit on sale of fixed asset	11.301.740	-
Foreign exchange income	2.385.283	883.488
Rent income	1.137.644	1.308.130
Interest income	887.508	518.277
Other	15.214	19.393
Total	**15.727.389**	**2.729.288**

	1 January - 31 December 2020	**1 January - 31 December 2019**
Expenses From Investment Activities		
Foreign exchange loss	529.245	-
Loss on sale of tangible assets	-	1.507.637
Other	200.000	252.743
	729.245	**1.760.380**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 30 – FINANCING EXPENSES

	1 January - 31 December 2020	1 January - 31 December 2019
Financing expenses		
Interest expenses	6.507.292	5.256.101
Foreign exchange expense	7.452.086	4.152.232
Other	1.564.526	253.254
Total	**15.523.904**	**9.661.587**

NOTE 31 – INCOME TAXES

Corporate tax

The required provisions are reserved in the accompanying consolidated financial statements for the estimated tax liabilities with regards to the current period operating results of the Group.

The corporate tax rate to be accrued over the taxable corporate income is based on the remaining tax after deducting the expenses that cannot be deducted from the tax base and the tax exemptions, non-taxable income and other discounts (if any, previous year losses and investment discounts, if preferred). it is calculated. The corporate tax rate applied in 2020 is 22% (2019: 22%). The corporate tax rate was determined as 22% for corporate earnings for the taxation periods of 2018, 2019 and 2020 with the "Law Amending Some Tax Laws and Other Laws" numbered 7061 published on December 5, 2017 ("Law No. 7061").

Advance tax in Turkey is calculated as three-month period and accrued. The advance tax rate that needs to be calculated over the corporate earnings at the taxation stage of 2020 corporate earnings as of temporary tax periods is 22%. (2019: 22%). The rate related to Law No. 7061 has been determined as 22% for 2018, 2019 and 2020 as of May 14, 2018. Losses can be carried for a maximum of 5 years to be deducted from the taxable profit that will occur in the coming years. However, the losses cannot be deducted retrospectively from the profits in the previous years.

The corporate tax rate was increased from 20% to 22% for the years 2018, 2019 and 2020 within the scope of the "Law on Amendment of Some Tax Laws and Other Laws" numbered 7061, which was published in the Official Gazette dated December 5, 2017. The deferred tax assets and liabilities within the scope of the said law were calculated with 22% tax rate for the part of temporary differences that will have tax effect in 2018, 2019 and 2020, and 20% for the part of temporary differences that will create tax effect in 2021 and later periods.

With regards to the taxes to be paid in Turkey, there is no practice of reconciliation with the tax authority. The corporate tax returns are submitted to the respective tax office until the evening of the last day of the fourth month following the month that the accounting period is closed. Notwithstanding, the tax authorities have the right to audit tax returns may inspect the related accounting records for a period of five years and in case an erroneous transaction is detected, then the amounts of taxes payable may change.

In addition to the corporate tax, except for those distributed to fully obliged institutions that acquire share from profits in the event they are distributed and declares these shares from profits by including them into the earnings of the institution, and to the braches of foreign companies in Turkey, income tax withholding should separately be calculated over the shares of profits. The income tax withholding is applied at the rate of 15 %.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 31 – INCOME TAXES (Cont.)

Corporate tax (Cont.)

The tax legislation in Turkey does not permit a parent company and the entities in the scope of consolidation to file a consolidated tax return. Therefore, the tax provisions as reflected in the consolidated financial statements have been calculated separately on entity basis.

Corporate tax liabilities reflected in the balance sheet as of 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Current tax liability		
Corporate tax provision	17.343.703	3.489.419
Prepaid taxes and funds	(8.472.740)	(2.388.684)
Corporation tax liability	**8.870.963**	**1.100.735**

Corporate tax liabilities reflected in profit and loss as of 31 December 2020 and 2019 are as follows:

	31 December 2020	31 December 2019
Tax expense / (income)		
Current corporate tax	(17.343.703)	(3.481.607)
Deferred tax (income) / expense	1.076.739	841.495
Total	**(16.266.964)**	**(2.640.112)**

Reconciliation of current tax expense with period profit is as follows:

	1 January - 31 December 2020	1 January - 31 December 2019
Profit before tax	**97.572.385**	**14.063.119**
Tax calculated on local tax rate (%22)	21.465.925	3.093.886
Tax effect of non-deductible expenses	979.101	1.294.471
Tax effect of deductible exemptions and discounts	(4.270.483)	(6.714.909)
Tax effect of non-taxable losses	(1.907.579)	4.966.664
Tax provisions	**16.266.964**	**2.640.112**

Current Tax Assets:
As of December 31, 2020, current tax assets consist of prepaid income tax.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 31 – INCOME TAXES (Cont.)

Deffered taxes

The breakdown of the related accumulated temporary differences and deferred tax assets and liabilities of the Group prepared using the applicable tax rates is as follows:

	31 December 2020		31 December 2019	
	Cumulative differences	Assets/ (Liabilities)	Cumulative differences	Assets/ (Liabilities)
Net difference between book value and tax value of inventories	12.342.991	2.468.598	5.613.331	1.234.933
Provision for employee termination benefits	6.952.147	1.390.429	4.976.666	995.333
Deferred finance income	1.415.775	283.155	297.725	65.500
Provisions for doubtful receivables	11.148.193	2.229.639	10.569.068	2.325.195
Unused vacation provision	3.488.166	697.633	2.943.516	600.945
Loans	344.617	68.923	12.399	2.728
Lease assets and its liabilities	225.365	45.073	817.793	179.915
Deferred taxes	**35.917.254**	**7.183.450**	**25.230.498**	**5.404.549**
The net difference between the book value of Properties, Plant and Equipment and intangible fixed assets and tax bases:	(15.672.661)	(3.134.532)	(12.834.940)	(2.566.988)
Deferred financing expense	(920.094)	(184.019)	(326.021)	(71.725)
Deferred tax liabilities	**(16.592.755)**	**(3.318.551)**	**(13.160.961)**	**(2.638.713)**
Deferred Tax Assets, net	**19.324.499**	**3.864.899**	**12.069.537**	**2.765.836**

The movements of the Group's deferred tax assets / liabilities are as follows;

Movements of the Group's Deferred Tax Assets:	**31 December 2020**	**31 December 2019**
Opening balance as of January 1	2.765.836	1.132.859
Deferred tax income/(expense)	1.076.739	841.495
Recognised in Equity	22.324	118.608
Genmar Yapı Merging Effect	-	672.874
Closing balance as of 31 December	**3.864.899**	**2.765.836**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 32 – EARNINGS PER SHARE / (LOSS)

Earnings per share are calculated by dividing the net income of the shareholders by the weighted average number of ordinary shares. The earnings per share of the Group as at 31 December 2020 and 2019 are as follows:

	1 January - 31 December 2020	**1 January - 31 December 2020**
Net profit for the period	64.691.074	10.871.208
Weighted average number of the issued ordinary shares	15.400.000.000	14.500.000.000
Earnings per share	**0,420**	**0,075**

NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Capital risk management
The Company aims at increasing its profits by ensuring the sustainability of its operating activities on the one hand, while using its equity capital balance at the most efficient manner, on the other. The capital structure of the Company is composed of equity capital items containing payables also including credits, cash and cash equivalents and issued capital respectively, profit reserves as well as retained earnings.

The general strategy of the Company overall does not display any difference from the previous period. The table of the major risks that the Group is exposed to is provided as follows;

Credit risk
Credit risk is the risk of failure by a party among those who made investment on a financial instrument to fulfill its liabilities, incurring financial losses to the other party. The Company manages the credit risk by restricting its transactions with certain third persons and continuously reviewing the credit risks of third persons.

The credit risk of the Group results predominantly from its trade receivables.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 33- NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

Credit risk (Cont.)

The financial instruments and amounts that the Group is exposed to credit risk are as follows;

	Trade Receivables		Other Receivables		Deposits at
31 December 2020	**Other**	**Related**	**Other**	**Related**	**Banks**
The maximum credit risk exposed as of the reporting date (A+B+C+D) [1]	**100.970.077**	**4.417.624**	**8.315.139**	**11.861.008**	**49.713.963**
The part of the maximum risk that is secured with collateral etc.	-	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	100.970.077	4.417.624	8.315.139	11.861.008	49.713.963
B. Net book value of assets that are overdue but not impaired	-	-	-	-	-
- The part secured with collateral etc.	-		-	-	-
C. Net book values of impaired assets	-	-	-	-	-
- Overdue (gross book value)	30.863.960	4.261.923	-	-	-
- Impairment (-)	(30.863.960)	(4.261.923)	-	-	-
D. Components involving off-balance sheet credit risk	-		-		-

(1) In the determination of the amounts, the elements that increase the loan credibility, such as the received guarantees, are not taken into consideration.

	Trade Receivables		Other Receivables	Deposits at
31 December 2019	**Other**	**Related**	**Other**	**Banks**
The maximum credit risk exposed as of the reporting date (A+B+C+D) [1]	**56.489.172**	**3.486.589**	**9.375.078**	**33.971.193**
The part of the maximum risk that is secured with collateral etc	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	56.489.172	3.486.589	9.375.078	33.971.193
B. Net book value of assets that are overdue but not impaired	-	-		
- The part secured with collateral etc	-		-	-
C. Net book values of impaired assets	-	-	-	-
- Overdue (gross book value)	33.545.815	-	-	-
- Impairment (-)	(33.545.815)	-	-	-
D. Components involving off-balance sheet credit risk	-		-	-

(1) In the determination of the amounts, the elements that increase the loan credibility, such as the received guarantees, are not taken into consideration.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

Liquidity risk

Liquidity risk is the possibility of the failure to perform net funding liabilities by the Group. The Group management manages the liquidity risk by distributing the funding sources and making available sufficient amount of cash and equivalent resources in order to fulfill its possible obligations.

The Group's liquidity risk table is as follows;

31 December 2020

Total financial liabilities	**Book Value**	**Total contractual cash outflows**	**Less than 3 months**	**Between 3-12 months**	**Between 1-5 years**
Financial debts	25.459.167	25.878.154	4.202.502	3.603.771	18.071.881
Lease obligations	4.467.875	5.121.435	407.968	1.045.559	3.667.908
Trade payables	57.346.569	58.283.456	58.283.456	-	-
Other payables	2.816.625	2.816.625	2.816.625	-	-
Total	**90.090.236**	**92.099.670**	**65.710.551**	**4.649.330**	**21.739.789**

31 December 2019

Total financial liabilities	**Book Value**	**Total contractual cash outflows**	**Less than 3 months**	**Between 3-12 months**	**Between 1-5 years**
Financial debts	29.396.277	30.376.577	8.278.118	8.377.113	13.721.346
Lease obligations	817.793	817.793	173.181	346.361	298.251
Trade payables	46.484.988	46.811.009	46.811.009	-	-
Other payables	1.445.538	1.445.538	1.445.538	-	-
Total	**78.144.596**	**79.450.917**	**56.707.846**	**8.723.475**	**14.019.597**

Market Risk

Market risk is the changes in interest rates, exchange rates and values of other financial contracts, which has a negative impact of the Group. The fluctuations to occur in the related instruments lead to changes in the statement of income and equity of the Group.

Interest rate risk

The Group has fixed interest bank loans and is not exposed to interest rate risk. Although there is no risk in fixed-rate bank loans and time deposits, they are affected by the future interest rates for future loans and deposits for the continuation of their operations.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

Currency risk

The financial instruments of the Group in foreign exchange are exposed to currency risk due to the changes in foreign exchange rates. The foreign currency position of the Group as at 31 December 2020 and 2019 are as follows:

31 December 2020	**TL Equivalent**	**US Dollar**	**Eur**
Monetary financial assets	26.653.235	1.787.073	1.502.595
Trade Receivables	52.671.654	132.843	5.739.020
Total assets	**79.324.889**	**1.919.916**	**7.241.615**
Short Term Liabilities			
Trade payables	39.430.716	34.914	4.348.897
Financial liabilities	5.540.677	-	615.091
Other monetary liabilities	4.507.646	-	500.410
Long Term Liabilities			
Financial liabilities	14.837.256	-	1.647.138
Total Liabilities	**64.316.295**	**34.914**	**7.111.536**
Net Foreign Currency Position	**15.008.594**	**1.885.002**	**130.079**
Export	**212.335.438**	807.618	23.260.371
Import	**151.955.392**	1.618.589	15.539.340

31 December 2019	**TL Equivalent**	**US Dollar**	**Eur**
Monetary financial assets	25.581.519	1.081.463	2.880.554
Trade Receivables	29.829.322	119.338	4.378.617
Total assets	**55.410.841**	**1.200.801**	**7.259.171**
Trade payables	24.199.507	56.711	3.588.042
Borrowings	7.431.427	-	1.117.407
Short Term Liabilities	**31.630.934**	**56.711**	**4.705.449**
Borrowings	13.692.927	-	2.058.901
Long Term Liabilities	**13.692.927**	**-**	**2.058.901**
Total Liabilities	**45.323.861**	**56.711**	**6.764.350**
Net Foreign Currency Position	**10.086.980**	1.144.090	494.821
Export	**146.831.473**	694.714	21.457.422
Import	**103.079.031**	260.384	15.217.201

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 33 – NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Cont.)

Currency risk (Cont.)

Sensitivity analysis;

As of December 31, 2020 and 2019, the pre-tax profit and equity would be as low / higher as the following amounts, provided that all other variables remained constant in the face of a 10% increase or decrease in foreign currency.

Exchange Rate Sensitivity Analysis Table

	Profit/(Loss)		**Shareholder's equity**	
31 December 2020	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
US Dollar	1.383.686	(1.383.686)	1.383.686	(1.383.686)
Eur	117.174	(117.174)	117.174	(117.174)
	1.500.859	**(1.500.859)**	**1.500.859**	**(1.500.859)**

Exchange Rate Sensitivity Analysis Table

	Profit/(Loss)		**Shareholder's equity**	
31 December 2019	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
US Dollar	679.612	(679.612)	679.612	(679.612)
Eur	329.086	(329.086)	329.086	(329.086)
	1.008.698	**(1.008.698)**	**1.008.698**	**(1.008.698)**

NOTE 34 – FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES)

The current value is the amount that a financial instrument can be handed over in a current transaction, other than a compulsory sale or liquidation, between voluntary parties, and is best determined with the realized market price, if any.

Estimations are used in the estimation of current value and interpretation of the market data. Accordingly, the estimations presented hereby may not be able to display the amounts that the Group can acquire from an actual market transaction.

The methods and assumptions provided below are used to estimate the current value of each one of the financial instruments in the events where it is possible to determine the current value.

Financial assets

The carried values of the cash and cash equivalent financial assets are thought to be close to their current values. The carried values of trade receivables after the deduction of doubtful receivables are thought to be close to their current values. The monetary items in foreign currency are converted using the exchange rates as at the end of the period. Off board financial assets are displayed over their costs.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 34 - FINANCIAL INSTRUMENTS: DISCLOSURES (FAIR VALUE DISCLOSURES AND HEDGE ACCOUNTING DISCLOSURES) (Cont.)

Financial liabilities

The monetary items in foreign currency are converted using the exchange rates as at the end of the period. The trade payables and other monetary liabilities, as they are short term liabilities, are accepted to have current values close to their carried values. On the other hand, the carried values of the short term credits, due to their short term, are assumed to reflect the current value.

Fair value measurement categories;

The Group created 3 categories for the fair value measurements in order to comply with the implementations of TFRS 7. These categories are created according to the data used in the fair value measurements and provided as follows ;

1. Category : Price quoted in active markets
2. Category : Directly or indirectly detectable data other than quoted prices in the active market
3. Category : Information not based on any market data

The financial assets the fair values of which are measured according to the categories above are as follows:

	Category 1	**Category 2**	**Category3**
Financial assets carried at fair value in the statement of financial position			
Orta Anadolu İhr.Birl.(Mosaş A.Ş.)	-	-	7.635
OSO Ortak Satınalma Organizasyon	-	-	14.260
Funds	3.210	-	-
Total	**3.210**	**-**	**21.895**

NOTE 35 – SUBSEQUENT EVENTS

a) Within the scope of the investigation conducted by the Competition Authority of Turkey regarding the undertakings in the Yonga Levha and MDF market, articles 4 and 6 of the law numbered 4054; It was decided to hold the verbal self-defense meeting, which was planned to be held before and was postponed, on 23.03.2021.

b) The Group management assessed to sale of the land and buildings located at İstanbul Tuzla Kimya Sanayicileri Organize Sanayi Bölgesi 7084 ada - 5 Parsel which is measured 1.200,04 m2 and a 7084 ada - 6 Parsel measured at 5.948,52 m2 with getting opinions from the consultancy firms. However as of report date, ongoing outbreak of the Covid 19 which causes volatility in economic outlook, these lands and buildings decided not to be reclassed as assets held for sale and disclosed as investment property by the Group Management.

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 36 – OTHER MATTERS

a) Group's Consolidated Financial Statement notes, is ended at 30 September 2020, of Note 4- Related Party Disclosures in the purchases / sales section of covering the period 1 January - 30 September 2020 is presented again by correcting and comparing with the ones reported below:

	1 January – 30 September 2020			
	Purchases		Sales	
Reported	**Product**	**Services**	**Product**	**Services**
4K Grup Yapı ve Orm.Ürün.İnş.San.ve Tic.A.Ş.	-	-	378.747	-
Kahramanlar Ağaç Sanayi ve Tic.A.Ş.	1.247.638	201.916	8.438.978	357.382
Gentaş Kimya Sanayi Ticaret A.Ş.	32.426.892	44.706	598.019	1.096.501
5K Yüzey Teknolojileri A.Ş.	1.495.435	15.182	1.979.982	124.824
Yaşar Çelik Orman Ürn.Kimya Nak.İnş.San.ve Tic.A.Ş.	-	364.073	4.331.513	38.461
Total	**35.169.965**	**625.877**	**15.727.239**	**1.617.168**

	1 January – 30 September 2020			
	Purchases		Sales	
Revised	**Product**	**Services**	**Product**	**Services**
2K Yapı Uygulama Tasarım Sanayi ve Tic. Ltd. Şti.	-	52	2.117.663	35.412
4K Grup Yapı ve Orm.Ürün.İnş.San.ve Tic.A.Ş.	-	-	378.747	-
Kahramanlar Ağaç Sanayi ve Tic.A.Ş.	1.729.319	636.658	8.438.978	357.382
Gentaş Kimya Sanayi Ticaret A.Ş.	69.565.572	44.706	654.400	1.096.501
5K Yüzey Teknolojileri A.Ş.	1.495.435	21.550	1.979.982	124.824
Yaşar Çelik Orman Ürn.Kimya Nak.İnş.San.ve Tic.A.Ş.	77.803	364.073	4.331.513	38.461
Total	**72.868.129**	**1.067.039**	**17.901.282**	**1.652.580**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 36 – OTHER MATTERS (Cont.)

b) The parts written inadvertently in the condensed consolidated profit and loss and other comprehensive income statement of the Group for the nine-month interim financial period ending on 30 September 2020 and in the related notes in the data dated 1 July - 30 September 2020 were corrected and re-presented comparatively with what was previously reported below.

	Un Audited	***Un Audited***	***Un Audited***	***Un Audited***
Reported	**01.01.- 30.09.2020**	**01.01.- 30.09.2019**	**01.07.- 30.09.2020**	**01.07.- 30.09.2019**
CONTINUING OPERATIONS				
Reveue	326.296.518	302.516.272	229.432.201	109.422.303
Cost of Sales (-)	(238.171.282)	(245.714.076)	(161.821.530)	(89.005.202)
GROSS OPERATING PROFIT	**88.125.236**	**56.802.196**	**67.610.671**	**20.417.101**
Marketing, Sales and Distribution Expense (-)	(15.933.342)	(19.513.329)	(10.325.675)	(6.092.184)
General Administrative Expenses (-)	(18.764.280)	(17.088.537)	(12.853.062)	(5.391.903)
Research and Development Expenses (-)	(1.272.004)	(1.100.003)	(950.606)	(365.509)
Other Operating Income	21.212.367	14.090.280	15.631.727	1.542.305
Other Operating Expenses (-)	(18.962.671)	(12.867.858)	(13.478.652)	(4.804.302)
OPERATING PROFIT/LOSS	**54.405.306**	**20.322.749**	**45.634.403**	**5.305.508**
Income From Investments Valued by Equity Method	3.389.874	3.410.707	1.579.858	1.915.640
Income from Investment Activities	7.444.900	4.539.375	4.622.275	1.518.008
Expenses From Investment Activities (-)	(227.724)	(5.466.607)	52.168	(2.259.219)
PROFIT / LOSS BEFORE FINANCING EXPENSE	**65.012.356**	**22.806.224**	**51.888.704**	**6.479.937**
Financing expenses (-)	(10.843.684)	(5.746.096)	(8.317.051)	942.283
PROFIT/LOSS FROM CONTINUING OPERATIONS	**54.168.672**	**17.060.128**	**43.571.653**	**7.422.220**
Continuing Operations Tax Income / Expense	**(4.441.584)**	**(2.704.512)**	**(3.743.231)**	**(1.097.520)**
- Period Tax Income / Expense	(5.619.477)	(2.816.150)	(4.733.472)	(968.347)
- Deferred Tax Income / Expense	1.177.893	111.638	990.241	(129.173)
PERIOD INCOME / LOSS	**49.727.088**	**14.355.616**	**39.828.422**	**6.324.700**
Other Comprehensive Income / (Expense)				
- Defined Benefit Plans Remeasurement Earnings/ (Losses)	(619.490)	(1.361.549)	(19.691)	(765.488)
- Defined Benefit Plans Remeasurement Earnings/ (Losses), Tax Effect	123.898	272.310	3.938	153.098
- Other comprehensive income from investments valued by equity method	(7.062)	(117.801)	26.606	(72.617)
- Conversion Adjustments	475.452	156.700	176.685	(144.565)
Other Comprehensive Income / (Expense) (After Tax)	**(27.202)**	**(1.050.340)**	**187.538**	**(829.572)**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)	**49.699.886**	**13.305.276**	**40.015.960**	**5.495.128**
Distribution of Profit/Loss				
Non-Controlling Interests	10.389.232	1.456.372	9.248.702	1.077.226
Parent Company Shares	39.337.856	12.899.244	30.579.720	5.247.474
Earnings Per 100 Shares	0,255	0,084	0,199	0,034
Distribution of Comprehensive Income				
Non-Controlling Interests	10.334.441	1.422.628	9.267.743	1.036.552
Parent Company Shares	39.365.445	11.882.648	30.748.217	4.458.576
Earnings Per 100 Shares	0,255	0,084	0,200	0,029

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 36 – OTHER MATTERS (Cont.)

	Un Audited	***Un Audited***	***Un Audited***	***Un Audited***
Revised	**01.01.- 30.09.2020**	**01.01.- 30.09.2019**	**01.07.- 30.09.2020**	**01.07.- 30.09.2019**
CONTINUING OPERATIONS				
Revenue	326.296.518	302.516.272	135.671.640	109.422.303
Cost of Sales (-)	(238.171.282)	(245.714.076)	(89.631.603)	(89.005.202)
GROSS OPERATING PROFIT	**88.125.236**	**56.802.196**	**46.040.037**	**20.417.101**
Marketing, Sales ve Distribution Expense (-)	(15.933.342)	(19.513.329)	(4.890.474)	(6.092.184)
General Administrative Expenses (-)	(18.764.280)	(17.088.537)	(5.860.314)	(5.391.903)
Research and Development Expenses (-)	(1.272.004)	(1.100.003)	(656.721)	(365.509)
Other Operating Income	21.212.367	14.090.280	10.338.233	1.542.305
Other Operating Expenses (-)	(18.962.671)	(12.867.858)	(9.187.326)	(4.804.302)
OPERATING PROFIT/LOSS	**54.405.306**	**20.322.749**	**35.783.435**	**5.305.508**
Income From Investments Valued by Equity	3.389.874	3.410.707	875.396	1.915.640
Income from Investment Activities	7.444.900	4.539.375	3.538.669	1.518.008
Expenses From Investment Activities (-)	(227.724)	(5.466.607)	320.964	(2.259.219)
PROFIT / LOSS BEFORE FINANCING EXPENSE	**65.012.356**	**22.806.224**	**40.518.464**	**6.479.937**
Financing expenses (-)	(10.843.684)	(5.746.096)	(5.053.879)	- 942.283
PRE-TAX PROFIT/LOSS FROM CONTINUING OPERATIONS	**54.168.672**	**17.060.128**	**35.464.585**	**7.422.220**
Continuing Operations Tax Income / Expense	**(4.441.584)**	**(2.704.512)**	**(3.264.424)**	**(1.097.520)**
- Period Tax Income / Expense	(5.619.477)	(2.816.150)	(3.387.736)	(968.347)
- Deferred Tax Income / Expense	1.177.893	111.638	123.312	(129.173)
PERIOD INCOME / LOSS	**49.727.088**	**14.355.616**	**32.200.161**	**6.324.700**
Other Comprehensive Income / (Expense))				
- Defined Benefit Plans Remeasurement Earnings/ (Losses)	(619.490)	(1.361.549)	(87.649)	(765.488)
- Defined Benefit Plans Remeasurement Earnings/ (Losses), Tax Effect	123.898	272.310	17.530	153.098
- Other comprehensive income from investments valued by equity method	(7.062)	(117.801)	8.869	(72.617)
- Conversion Adjustments	475.452	156.700	787	(144.565)
Other Comprehensive Income / (Expense) (After Tax)	**(27.202)**	**(1.050.340)**	**(60.463)**	**(829.572)**
TOTAL COMPREHENSIVE INCOME / (EXPENSE)	**49.699.886**	**13.305.276**	**32.139.698**	**5.495.128**
Distribution of Profit/Loss				
Non-Controlling Interests	10.389.232	1.456.372	6.706.177	1.077.226
Parent Company Shares	39.337.856	12.899.244	25.493.984	5.247.474
Earnings Per 100 Shares	0,255	0,084	0,166	0,031
Distribution of Comprehensive Income				
Non-Controlling Interests	10.334.441	1.422.628	6.728.141	1.036.552
Parent Company Shares	39.365.445	11.882.648	25.411.557	4.458.576
Earnings Per 100 Shares	0,255	0,077	0,166	0,024

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 36 – OTHER MATTERS (Cont.)

Reported

Revenue	**01.01.-30.09.2020**	**01.01.-30.09.2019**	**01.07.-30.09.2020**	**01.07.-30.09.2019**
Domestic Sales	189.634.227	193.578.112	133.561.739	69.035.799
Export sales	140.900.326	107.842.429	98.792.924	41.683.689
Other revenues	1.727.241	4.901.864	1.117.580	423.687
Total Sales	332.261.794	306.322.405	233.472.243	111.143.175
Sales returns	(2.054.486)	(1.957.207)	(1.582.962)	(990.928)
Sales discounts	(3.910.790)	(1.848.926)	(2.457.080)	(729.944)
Total Revenue	**326.296.518**	**302.516.272**	**229.432.201**	**109.422.303**

Revised

Revenue	**01.01.-30.09.2020**	**01.01.-30.09.2019**	**01.07.-30.09.2020**	**01.07.-30.09.2019**
Domestic Sales	189.634.227	193.578.112	79.773.635	69.035.799
Export sales	140.900.326	107.842.429	57.559.137	41.683.689
Other revenues	1.727.241	4.901.864	651.209	423.687
Total Sales	332.261.794	306.322.405	137.983.981	111.143.175
Sales returns	(2.054.486)	(1.957.207)	(734.583)	(990.928)
Sales discounts	(3.910.790)	(1.848.926)	(1.577.758)	(729.944)
Total Revenue	**326.296.518**	**302.516.272**	**135.671.640**	**109.422.303**

Reported

Cost of Sales	**01.01.-30.09.2020**	**01.01.-30.09.2019**	**01.07.-30.09.2020**	**01.07.-30.09.2019**
Cost of products sold	168.617.963	162.639.503	118.221.312	56.292.360
Cost of trade goods sold	69.553.319	83.074.573	43.600.218	32.712.842
Total Cost of Sales	**238.171.282**	**245.714.076**	**161.821.530**	**89.005.202**

Revised

Cost of Sales	**01.01.-30.09.2020**	**01.01.-30.09.2019**	**01.07.-30.09.2020**	**01.07.-30.09.2019**
Cost of products sold	168.617.963	162.639.503	64.758.708	56.292.360
Cost of trade goods sold	69.553.319	83.074.573	24.872.895	32.712.842
Total Cost of Sales	**238.171.282**	**245.714.076**	**89.631.603**	**89.005.202**

(Amounts are expressed in Turkish Lira ("TL") unless otherwise indicated

NOTE 36 – OTHER MATTERS (Cont.)

Reported

	01.01.-30.09.2020	01.01.-30.09.2019	01.07.-30.09.2020	01.07.-30.09.2019
Other operating income				
Financing income from sales	2.116.096	5.809.533	307.776	171.312
Foreign exchange income	17.286.590	6.443.955	14.516.591	1.630.439
Unnecessary provision	158.943	585.651	(111.057)	(770.879)
Interest Income	178.860	192.407	142.995	107.399
Other income and profits	1.471.878	1.058.734	775.422	404.034
Total	**21.212.367**	**14.090.280**	**15.631.727**	**1.542.305**

Revised

	01.01.-30.09.2020	01.01.-30.09.2019	01.07.-30.09.2020	01.07.-30.09.2019
Other operating income				
Financing income from sales	2.116.096	5.809.533	301.988	171.312
Foreign exchange income	17.286.590	6.443.955	10.537.706	1.630.439
Unnecessary provision	158.943	585.651	(169.039)	(770.879)
Interest income	178.860	192.407	54.414	107.399
Other income and profits	1.471.878	1.058.734	(386.836)	404.034
Total	**21.212.367**	**14.090.280**	**10.338.233**	**1.542.305**

Reported

	01.01.-30.09.2020	01.01.-30.09.2019	01.07.-30.09.2020	01.07.-30.09.2019
Other operating income				
Doubtful debt expense	2.149.747	2.304.460	1.098.054	509.494
Foreign exchange expenses	10.978.846	5.668.672	8.258.441	3.083.394
Financing expenses arising from purchases	1.279.187	3.018.435	265.014	79.058
Other	4.554.891	1.876.291	3.857.143	1.132.356
Total	**18.962.671**	**12.867.858**	**13.478.652**	**4.804.302**

Revised

	01.01.-30.09.2020	01.01.-30.09.2019	01.07.-30.09.2020	01.07.-30.09.2019
Other operating income				
Doubtful debt expense	2.149.747	2.304.460	624.253	509.494
Foreign exchange expenses	10.978.846	5.668.672	5.644.461	3.083.394
Financing expenses arising from purchases	1.279.187	3.018.435	161.406	79.058
Other	4.554.891	1.876.291	2.757.206	1.132.356
Total	**18.962.671**	**12.867.858**	**9.187.326**	**4.804.302**